

**Great power ambitions:  
Understanding India's strategic engagement with maritime East Asia**

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## **Statement**

This thesis is entirely the work of David Halstead Brewster.

  
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David Halstead Brewster



## **Abstract**

East Asia is in strategic flux. Two factors are having a profound effect on the Asian strategic order: the rise of China and the more recent emergence of India as a major regional power. While there has been much debate over the rise of China, India's broad strategic ambitions are not widely understood. The way in which India rises to power over the coming decades, and its strategic interaction with China and others, is likely to have profound consequences for the security of East Asia.

Over the past two decades, India has been actively developing security relationships in maritime East Asia. Some believe that these relationships are driven by India's strategic rivalry with China, while others see it as a consequence of India's emergence as a major power and the expansion of its strategic footprint. This thesis will examine India's strategic engagement with maritime East Asia and consider to what extent its relationships involve balancing against China or a desire to expand India's strategic space.

This thesis will examine the foundations of India's emergence as a major power and then make detailed case studies of India's key strategic relationships in maritime East Asia: Japan, Singapore, Indonesia, Vietnam and South Korea. An understanding of these relationships and of India's strategic objectives in East Asia will be crucial to understanding the shape of East Asia's future strategic order and India's likely role in that order.

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**Great power ambitions:  
Understanding India's strategic engagement with maritime East Asia**

## **Introduction**

East Asia is in strategic flux. Two factors are having a profound effect on the Asian strategic order: the rise of China and the more recent emergence of India as a major regional power. There has been intense debate in recent times over the consequences of the rise of China. Many perceive China, an authoritarian and potentially revisionist power, as the greatest threat to stability of the region. While India is usually seen in more benign terms, its broad strategic ambitions are not widely understood and its relationship with China is unstable. The way in which India rises to power over the coming decades, and its strategic interaction with China and others, is likely to have profound consequences for the security of East Asia.

Over the past two decades, India has been actively developing security relationships in maritime East Asia. However the balance of its motives for doing so are unclear. Some believe that these relationships are driven by India's strategic rivalry with China, while others see it primarily as a consequence of India's emergence as a major power and the expansion of its strategic footprint. This thesis will examine India's strategic engagement with maritime East Asia in recent years and consider the strategic imperatives behind India's key relationships in the region. This will be addressed through the following lines of inquiry:

- What are India's strategic objectives in maritime East Asia?
- What are East Asian motivations for engaging with India?
- What insights do international relations theories provide for India's strategic behaviour in maritime East Asia?



The answers to each of these questions will be crucial in understanding the shape of East Asia's future strategic order and India's role in that order. This thesis will suggest that states are likely to have several different motivations for strategic actions that may be more or less consistent and more or less articulated. An understanding of that mix of objectives and how they are likely to affect strategic behaviour is therefore essential in understanding the likely future role of India in the East Asian strategic order.

This introduction will include the following sections:

- A synopsis of this thesis and an overview of the major themes to be explored;
- A review of existing literature in this area;
- An explanation of some key terms used in this thesis;
- A discussion of the methodology and sources used; and
- A glossary of abbreviations and acronyms.

### ***Synopsis and themes***

This thesis is divided into 5 parts. First, it will provide an overview of the changing East Asian strategic environment and some major theoretical frameworks used in thinking about Asian security. Second, it will examine the foundations of India's strategic engagement with East Asia. Third, it will examine India's strategic relationships with key middle powers in maritime East Asia: Singapore; Indonesia; Vietnam and South Korea. Fourth, it will make a detailed examination of the development of India's "peer" relationship with Japan. Fifth, it will provide an overview of perspectives of India's strategic engagement with East Asia. These are expanded upon below.

**Part 1** of this thesis will provide an overview of what is arguably the greatest strategic challenge facing the international system: the changing strategic order in East Asia involving the rise to power of China, the virtually simultaneous emergence of India and the relative decline in power of the United States. Part 1 will then consider the major

theoretical frameworks that are often applied in thinking about Asian security. There has been extensive theoretical debate about the consequences of China's rise as a regional power for the East Asian strategic order and the responses of the United States and others, a debate that has often been reduced to questions of balancing against or accommodation of China's rise. There has, however, been little theoretical examination of the emergence of India as a major power and its consequences to the East Asian strategic order. This thesis will argue that India's strategic ambitions in East Asia can only be properly understood through use of several theoretical lenses.

**Part 2** will examine the foundations of India's strategic engagement with maritime East Asia. It will provide an overview of India's emergence as a major power, focusing on developments in India's strategic relationships over the last two decades and its aspirations towards becoming a great power. Part 2 will then provide a detailed analysis of the development of Indian strategic thinking since the end of the Cold War, including Indian ideas of multipolarity and an Asian balance of power and the growing significance of thinking about maritime security and strategic space. Part 2 will then make an examination of two crucial factors underlying India's strategic ambitions in East Asia: first, the development of India's ambitions as a great maritime power, and second, the long-running strategic rivalry between India and China.

**Parts 3 and 4** will provide case studies on India's most significant strategic relationships in maritime East Asia in order to understand both Indian and East Asian perspectives and motivations. These relationships also provide excellent illustrations of the differing historical, political, economic and geographic factors in India's engagement in the region.

**Part 3** will examine India's key relationships with middle powers in maritime East Asia: Singapore, Indonesia, Vietnam and South Korea. **Singapore** has been a major focus of India's strategic ambitions in Southeast Asia. Since the mid-1990s, Singapore has positioned itself as India's economic and political gateway to Southeast Asia.



Singapore has actively nurtured a close security partnership with India, regarding it as having a valuable role in a regional balance of power. India now sees Singapore not only as a hub for its regional ambitions, but also increasingly as an eastern anchor to an Indian strategic space that extends throughout the Indian Ocean and includes the Malacca Strait. India's partnership with Singapore exemplifies the intersection of ideas about a balance of power in Southeast Asia with ideas about an Indian maritime sphere of influence.

**Indonesia** is another regional power likely to play a vital role in India's strategic ambitions in Southeast Asia. While India and Indonesia have many shared interests, including a desire for a multipolar regional order, the relationship has not always been easy. As the largest power in archipelagic Southeast Asia, Indonesia's cooperation will now be essential to India's specific security ambitions in the Malacca Strait and maritime Southeast Asia. Among other things, this relationship illustrates the next steps that India will need to take in gaining broader acceptance for a security role in the region.

**Vietnam** is India's only longstanding political ally in East Asia. This is a relationship forged from a shared history of anti-colonialism and resistance against China's power, and an appreciation by India of Vietnam's geostrategic position in Southeast Asia. The limited success of India's attempts over the last decade to develop a security relationship with its old partner provides an excellent illustration of some of the potential constraints on India's strategic engagement with East Asia. As will be seen, India has not always fully appreciated its limitations as a security partner in East Asia or understood regional relations with China. While many in New Delhi see Vietnam as a potential balancer against China, Hanoi is unlikely to allow itself to be used in that way. As a result, the political and economic dimensions are likely to dominate over security aspects of this relationship.

The development of India's relationship with **South Korea**, a key middle power in Northeast Asia, will then be examined. Shared concerns of India and South Korea over the nuclear proliferation relationship between Pakistan and North Korea - and of China's role in that relationship - will be used to illustrate the growing strategic centrality of China in Asia as a whole. China's growing strategic role in Asia is a prime reason for the gradual erosion of the historical divide between South Asia and Northeast Asia, including in the security dimension. South Korea's success in developing an economic relationship with India also provides an understanding of the significance of the economic dimension in aligning strategic interests.

**Part 4** will look at the development of India's strategic relationship with **Japan**, East Asia's great maritime power and strategic rival to China. The "peer" relationship between Japan and India, two major Asian powers, has significant qualitative differences to India's strategic relationship with East Asia's middle powers. This relationship, more than any other single relationship, is likely to establish and define India's strategic role in East Asia, and will be examined in some detail. As will be seen, until recently Japan and India have shown an extraordinary degree of strategic indifference towards each other. In the history of major interactions between them in modern times, each has seen the other as being largely beyond its sphere of strategic interest and each has seen little common cause in their relationships with China, the giant that lies between them. In strategic terms, China, even one perceived in threatening terms, divided rather than united them. However, in recent years, growing mutual concerns about China and the emergence of India as a major power has led to a desire to develop a partnership between them as strategic "peers." This does not necessarily involve a recognition of a role for India as a security provider in East Asia. Rather, one can discern the elements of a possible "grand strategic bargain" between India and Japan. This may involve the formation of an informal coalition to balance the power of China and potentially also the recognition of India's great power status and sphere of influence in the Indian Ocean.

Lastly, **Part 5** will provide an overview of India's strategic relationships in East Asia and seek to answer the questions that have been posed above.

The major themes underlying India's strategic engagement with East Asia will be elucidated throughout Parts 2, 3 and 4. As will be seen, many of India's strategic relationships in East Asia include considerations of the balance of power, although in quite different ways. "Soft" balancing against China in the neorealist sense can be seen as a significant factor in India's relationship with Japan. While balancing considerations are also central to India's relationships in Southeast Asia, Southeast Asian concepts of a balance of power are more in the nature of an attempt to develop a "harmonious" balance between several external major powers, what has been described as a "multiplicity of suns." While Southeast Asian states wish to see a regional balance between major powers, they have little inclination to join any balancing coalition against China.

However, India's strategic motivations in East Asia go far beyond considerations of balancing China. India's strategic engagement with East Asia should be seen as an integral part of India's emergence as a major regional power and a long-standing desire by India to have that status recognised within the region. The extension of India's influence into Southeast Asia and beyond is a natural consequence of India's rise as a major power. As India's economy grows and becomes more closely integrated with East Asia, its economic and political influence would be expected to grow. However, India also has aspirations to become the predominant naval power in the Indian Ocean region and there are some that see India as having a natural sphere of influence that extends into archipelagic Southeast Asia and Indochina. These ambitions to essentially extend India's strategic space, if not primarily driven by strategic rivalry with China, are certainly given greater force by China's perceived "incursions" into South Asia and the Indian Ocean region.

While the interaction of these two sets of strategic motivations may be complex, it is possible to discern differing emphases in India's strategic relations in East Asia. As noted above, one can distinguish a strong emphasis on balancing in India's relationship with Japan. In contrast, some of India's strategic relationships in Southeast Asia – particularly with Singapore – have strong overtones of a desire to extend India's strategic space. This thesis will seek to draw out some of the potential consequences of these differing emphases in strategic motivations.

### ***Literature on India's strategic engagement with East Asia***

While there is considerable literature on particular aspects of India's strategic engagement with East Asia, there are few studies that comprehensively examine India's strategic engagement with the whole of East Asia or provide a coherent analysis of India's strategic thinking about East Asia. Some of the most useful discussions in this area are highlighted below:

*India's emergence as a major power:* There are several very good general studies on India's emergence as a major power. Babbage and Gordon's *India's strategic future: regional state or global power?*<sup>1</sup> provides an excellent analysis of India's prospects as a major power in the immediate post-Cold War years. More contemporary discussions of India can be found in Cohen, *India: Emerging power*;<sup>2</sup> Nayar and Paul, *India in the World Order: Searching for Major Power Status*;<sup>3</sup> and Kapur, *India, from regional to world power*.<sup>4</sup> These provide useful analyses of India's great power ambitions and its economic, military and ideological resources. In particular, Nayar and Paul's study

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<sup>1</sup> Ross Babbage and Sandy Gordon (eds), *India's strategic future: regional state or global power?* (London: Macmillan, 1992).

<sup>2</sup> Stephen Cohen, *India: Emerging Power* (Washington: Brookings Institute, 2001).

<sup>3</sup> Baldev Raj Nayar and T.V.Paul, *India in the World Order: Searching for Major Power Status* (Cambridge: Cambridge University Press, 2003).

<sup>4</sup> Ashok Kapur, *India, from regional to world power* (New York: Routledge, 2006).

includes an important discussion of the apparent gap between India's current capabilities and its claims to recognition of great power status, what has been called India's "post-dated self image" as a great power.

*Indian strategic thinking:* While there are some excellent studies in this area, there are none that specifically focus on Indian strategic thinking about East Asia. Tanham's classic *Indian Strategic Thought: An Interpretive Essay*<sup>5</sup>, provides an older, but still highly relevant, source on the traditional defensive features of Indian strategic thinking in the early 1990s. Mohan's *Crossing the Rubicon*<sup>6</sup> is an indispensable and strongly opinionated guide to the revolution in Indian strategic thinking since the end of the Cold War. Tanham, Bajpai and Mattoo's *Securing India: Strategic Thought and Practice in an Emerging Power*<sup>7</sup> also provides a highly useful view on Indian strategic thinking as an emerging power, including a valuable discussion on the different ideological streams in Indian foreign policy.

*Indian naval strategy:* G.V.C. Naidu's, *The Indian navy and Southeast Asia*<sup>8</sup> is a useful turn of the century study on the history of Indian naval thinking as it relates to Southeast Asia. The recently published *Indian naval strategy in the twenty-first century*<sup>9</sup> by Holmes, Winner and Yoshihara provides a highly valuable resource in understanding India's naval ambitions within the context of its great power ambitions.

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<sup>5</sup> George Tanham, *Indian strategic thought: an interpretative essay* (Santa Monica: Rand, 1992).

<sup>6</sup> C. Raja Mohan, *Crossing the Rubicon: The Shaping of India's New Foreign Policy* (New York: Palgrave Macmillan, 2003).

<sup>7</sup> George K. Tanham, Kanti P. Bajpai and Amitabh Mattoo (eds.), *Securing India: Strategic Thought and Practice in an Emerging Power* (New Delhi: Manohar, 1996).

<sup>8</sup> Naidu, *The Indian navy and Southeast Asia* (New Delhi: Institute for Defence Studies and Analyses, 2000).

<sup>9</sup> James R. Holmes, Andrew C. Winner and Toshi Yoshihara, *Indian Naval Strategy in the Twenty-First Century* (London: Routledge, 2009).

It includes an important discussion on the role of naval power in the historical rise of other major powers such as the United States and Japan, and possible comparisons with India's experience.

*India's strategic engagement in East Asia:* As noted above there are few comprehensive studies on India's strategic engagement with East Asia as a whole.

*India looks east: an emerging power and its Asia-Pacific neighbours*<sup>10</sup> by Gordon and Henningham is a good examination of India's engagement with East Asia as at the mid-1990s. A more contemporary study, *Eastward bound: India's new positioning in Asia*<sup>11</sup> by Saint-Mezard is a good empirical source on the development of India's relationships in East Asia although it does not include a detailed analysis of Indian strategic thinking in the subject.

There are several good empirical studies on India's relations in Southeast Asia. A good historical survey of India's regional relations is provided by Ayoob, *India and Southeast Asia: Indian perceptions and policies*.<sup>12</sup> More contemporary surveys can be found in Grare and Mattoo, *India and ASEAN: The Politics of India's Look East Policy*;<sup>13</sup> Devare, *India and Southeast Asia: Towards Security Convergence*;<sup>14</sup> and Sridharan, *The ASEAN Region in India's Foreign Policy*.<sup>15</sup> There are also some useful country specific studies

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<sup>10</sup> Sandy Gordon and Stephen Henningham (eds), *India Looks East: an Emerging Power and its Asia Pacific neighbours* (Canberra: Strategic and Defence Studies Centre, 1995).

<sup>11</sup> Isabelle Saint-Mézard, *Eastward Bound: India's new positioning in Asia* (New Delhi: Manohar Publishers, 2006).

<sup>12</sup> Mohammed Ayoob, *India and Southeast Asia : Indian perceptions and policies* (New York: Routledge, 1990).

<sup>13</sup> Frederick Grare and Amitabh Mattoo (eds), *India and ASEAN: The Politics of India's Look East Policy*, (New Delhi: Centre de Sciences Humaines, 2001).

<sup>14</sup> Sudhir Devare, *India and Southeast Asia: Towards Security Convergence*, (Singapore: Institute of Southeast Asian Studies, 2006).

<sup>15</sup> Kripa Sridharan, *The ASEAN Region in India's Foreign Policy* (Aldershot: Dartmouth Publishing, 1996).

on India's historical and contemporary relations in the region, although these tend to lack a perspective on how these engagements fit with India's engagement with the region as a whole. For Singapore, a useful historical and contemporary discussion can be found in Latif, *Between Rising Powers: China, Singapore and India*.<sup>16</sup> For Indonesia, the historical relationship is surveyed in Arora, *Indian-Indonesian relations, 1961-1980*,<sup>17</sup> but there is no detailed study of the contemporary relationship. For Vietnam, there is an excellent historical study of Cold War relations in *Soviet Relations with India and Vietnam*<sup>18</sup> by Thakur and Thayer, but again there is no comprehensive study of the contemporary bilateral relationship.

There is little literature on India's strategic engagement with Northeast Asia.

For Japan, a key empirical source for the historical relationship is P.A. Narasimha Murthy's, *India and Japan: dimensions of their relations: historical political*<sup>19</sup> and an excellent survey of contemporary developments can be found in Purnendra Jain, "From Condemnation to Strategic Partnership: Japan's Changing View of India (1998-2007)."<sup>20</sup> However, there is very little publicly available analysis of the place of India in Japanese strategic thinking about India. Nor does available analysis place the Japan relationship within the context of India's relationships with East Asia as a whole. There are no comprehensive studies on strategic aspects of the India-South Korea relationship.

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<sup>16</sup> Asad-ul Iqbal Latif, *Between Rising Powers: China, Singapore and India* (Singapore: ISEAS Publishing, 2007).

<sup>17</sup> B.D.Arora, *India-Indonesia relations, 1961-1980* (New Delhi: Asian Educational Services, 1981).

<sup>18</sup> Ramesh Thakur and Carlyle A. Thayer, *Soviet Relations with India and Vietnam* (New York: St. Martin's Press, 1992).

<sup>19</sup> P.A Narasimha Murthy, *India and Japan: dimensions of their relations: historical political* (New Delhi: ABC Pub.House, 1986).

<sup>20</sup> Purnendra Jain, "From Condemnation to Strategic Partnership: Japan's Changing View of India (1998-2007), Institute of South Asian Studies Working Paper No.41, 10 March 2008.



Where possible, historical analysis of Indian strategic perspectives has referred to memoirs and other writings of former political and bureaucratic decision-makers. Of particular value in this respect are the writings of former secretaries of the Indian Ministry of External Affairs, including T.N.Kaul,<sup>21</sup> J.N.Dixit,<sup>22</sup> Sudhir Devare,<sup>23</sup> and Rajiv Sikri.<sup>24</sup>

### ***Some key terminology***

Several key phrases lie at the heart of this thesis. The term *East Asia* has become a somewhat contested concept with significant political implications. This thesis will use the term to mean the eastern portion of the Eurasian continent and related archipelagic states, running from far eastern Russia in the north to Indonesia in the south, and from Japan and the Philippines in the east to Burma and China in the west. Importantly, as used in this thesis, the term will not include India or other states that are generally understood to form part of South Asia.<sup>25</sup> This thesis will further divide East Asia into *Northeast Asia*, which includes eastern Russia, China, the Koreas, Japan and Taiwan and *Southeast Asia*, which essentially consists of the members of ASEAN. The term *maritime East Asia* will be used to mean East Asia excluding China, the state which dominates the East Asian continent. The term is used as a convenient way of

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<sup>21</sup> T.N. Kaul, *India, China and Indochina* (New Delhi: Lancer Press, 1987).

<sup>22</sup> J.N.Dixit, *My South Block Years: Memoirs of a Foreign Secretary* (New Delhi: UBS Publishers, 1996).

<sup>23</sup> Devare, *India and Southeast Asia*.

<sup>24</sup> Rajiv Sikri, *Challenge and Strategy: Rethinking India's Foreign Policy* (New Delhi: Sage, 2009).

<sup>25</sup> In some ways Australia represents a continuation of India's relationships in maritime East Asia and could potentially be considered in parallel to relationships in East Asia. However, India's strategic relationship with Australia also involves some very different considerations from those that are common to its relationships in East Asia and therefore it has not been included in the scope of this study.

reflecting the fundamental differences in India's strategic relationship with China as compared with the archipelagic and peninsula states of East Asia.

Another key term is *strategic*. This thesis has been written as part of the field of strategic studies, which itself is embedded within the broader discipline of international relations. Hedley Bull defines strategic studies as the art or science of exploiting military force so as to attain given objects of policy<sup>26</sup> while Louis Halle defines it as the branch of political studies concerned with the *political* implications of the war-making *capacity* of nations.<sup>27</sup> This thesis will have a central focus on *military* (or more broadly *security*) relationships between states, although it will frequently also focus on economic, cultural, geographic, ideological and historical factors as they inform such military or security relationships. This also has methodological implications. Although strategic studies is usually seen as falling within the field of international relations, the tradition of strategic studies is frequently characterised by a somewhat distinctive methodology that gives an emphasis to empirical analysis. This thesis will broadly follow that tradition.

### ***Methodology and sources***

This thesis will derive an understanding of India's strategic engagement with East Asia (and the thinking of relevant decision-makers) from a series of empirical studies of the historical and contemporary relationships between India and major East Asian states. As will be seen in Parts 3 and 4, these studies reveal a wide range of strategic thinking, perceptions and motivations held by decision-makers about India's strategic engagement in East Asia.

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<sup>26</sup> Hedley Bull, "Strategic studies and its critics," *World Politics*, Vol.20, No.4 (July 1968), pp.593-605 at p.593.

<sup>27</sup> Louis Halle, *The elements of international strategy: a primer for the nuclear age* (Lanham: University Press of America, 1984), p.4.

The major theoretical approaches (e.g. realism, geopolitical, constructivist) used to understand the Asian strategic order are explored in detail in chapter 1.2. That examination will conclude that while these approaches can provide important perspectives in understanding strategic motivations, no single approach is capable of providing a complete explanation of India's strategic motivations in East Asia. As a result, this thesis will not seek to apply a single, universalistic, theoretical framework of international relations to explain India's strategic engagement with East Asia. Rather, it will take more an eclectic theoretical approach, which acknowledges that strategic behaviour may have multiple motivations, each of which may require explanation in a different way. This approach is discussed in greater detail in section 1.2.5.

In undertaking an empirical examination of strategic behaviour and strategic thinking, this thesis will primarily rely on publicly available statements by relevant political, bureaucratic and military leaders and others with influence on decision or policy-making. In doing so, it relies on the following sources:

- official governmental policies and statements, contemporary newspaper reports, memoirs and some declassified internal governmental materials.
- analysis of strategic behaviour and thought by senior academic commentators and former political, bureaucratic or military decision-makers.
- author interviews with current or former government officials and security analysts in India, China, Japan and Southeast Asia.
- economic information is generally drawn from either governmental sources or studies conducted by leading financial institutions.

Except as otherwise stated, all references to materials by URL were last accessed as at March 2010.

***Glossary***

<b>APEC</b>	Asia Pacific Economic Cooperation forum
<b>ARF</b>	ASEAN Regional Forum
<b>ASEAN</b>	Association of South East Asian Nations
<b>ASEAN + 3</b>	ASEAN Plus Three, an arrangement under which China, Japan and South Korea maintain regular dialogue with ASEAN states
<b>BMD</b>	Ballistic Missile Defence
<b>DPRK</b>	Democratic People's Republic of Korea (North Korea)
<b>EAC</b>	East Asian Economic Community
<b>EAS</b>	East Asian Summit
<b>FDI</b>	Foreign Direct Investment
<b>GDP</b>	Gross Domestic Product
<b>ODA</b>	Official Development Aid
<b>PRC</b>	Peoples Republic of China
<b>ROK</b>	Republic of Korea (South Korea)
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SLOC</b>	Sea lines of communication

## **Part 1 - An uncertain regional order**

Part 1 provides a background discussion on the Asian strategic order as a basis for a subsequent examination of India's strategic role in East Asia. It will provide an overview of some of the systemic changes that are occurring in the regional order and then consider the major strands of theoretical analysis of the Asian strategic order.

Key themes to be examined in this part are:

- The uncertainties to the regional order created by the rise of China and emergence of India as major regional powers.
- Insights and limitations of the major theoretical frameworks in analysing the changing regional order.

## **Chapter 1.1 Asia in strategic flux**

- 1.1.1 Asia's strategic order at the end of the Cold War
- 1.1.2 The rise of China as a great power
- 1.1.3 The emergence of India
- 1.1.4 The role of the United States in Asia
- 1.1.5 Russia, Japan and Southeast Asia in the changing strategic environment
- 1.1.6 Thinking about the regional security order

### **Introduction**

East Asia is in strategic flux. Its leap towards becoming the economic engine room of the world has been accompanied by major changes in the balance of power as new powers rise and challenge the existing order. Some fear that Asia is coming to resemble nineteenth century Europe, where new powers jockeyed with the old for their place in the sun. Whether "Asia's future will resemble Europe's past" as some believe<sup>1</sup> or "Asia's future will resemble its past" as others suggest,<sup>2</sup> or Asia's future will resemble something else entirely, it seems likely that India will play an increasingly important role in the region's strategic order in years to come.

This chapter will provide an overview of some of the major systemic changes taking place in the East Asian strategic order. It will first examine the strategic landscape in East Asia at the end of the Cold War and then consider the two main causes of systemic change in the regional strategic order: the rise of China as a major power over that last two decades, and more recently the recognition of India as an emerging

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<sup>1</sup> See A. Friedberg, "Will Europe's Past be Asia's Future?" *Survival*, Vol.42, No.3 (2000), pp.147-160.

<sup>2</sup> See Amitav Acharya, "Will Asia's Past be its Future?" *International Security*, Vol.28 No.3 (Winter 2003/4), pp.149-164.

power. This chapter will then consider the impact of these changes on the strategic predominance of the United States in East Asia and on the positions of Russia, Japan and ASEAN states. Lastly, it will provide an overview of some scenarios of how the Asian strategic order may look in coming years.

### **1.1.1 East Asia's strategic order at the end of the Cold War**

The consequences of the end of the Cold War have generally been slower to materialise in East Asia than in other parts of the world. The collapse of the Soviet Union removed a significant source of tensions in the region and led to the dissolution of coalitions between the United States and China (to contain the Soviet Union) and between the Soviet Union and India (to balance China). Nevertheless, many of the region's conflicts and disputes remained virtually frozen in place. As a result, Asia has many potential "flashpoints" that could lead to significant interstate conflict. These include, in Northeast Asia, the division of the Korean peninsula and the status of Taiwan; in Southeast Asia, competing territorial claims over the South China Sea; and in South Asia, the continuing stand-off between India and Pakistan over Kashmir and territorial disputes between China and India in the Himalayas. Most of these directly or indirectly involve China, which occupies a geographically central role. There remains therefore a significant risk of interstate conflict involving China.

In the decades following the end of the Cold War, the United States has retained strategic predominance and continues to act as an offshore guarantor of regional stability. The US Pacific alliance system, a series of formal bilateral alliances between the United States and its key regional partners, Japan, South Korea and Australia, that has been in place since the 1950s, continues to provide the bedrock for regional security. This system is supplemented by lesser alliances or informal security arrangements with Singapore, the Philippines and Thailand among others. Although many believe that this system, in itself, is becoming insufficient to provide continuing strategic stability in East Asia, there is little consensus on the alternatives.



### 1.1.2 The rise of China as a great power

Although the rise of China in recent years and its potential implications for the security of the region has been well-documented elsewhere,<sup>3</sup> it is worth reviewing some of the highlights.

The economic rise of China since the late 1970s has been nothing short of remarkable. Between 1978 and 2008, China's GDP grew from Rmb362 billion to Rmb31,404 billion (in current price terms). Over the period 1978 to 2007, Chinese annual exports grew from US\$9.8 billion to US\$1,218 billion. Between 1983 and 2007, annual FDI to China grew from US\$916 million to US\$74 billion.<sup>4</sup> By 2009, China's estimated GDP was US\$8.791 trillion (in purchasing power parity terms), making it the second largest economy in the world after the United States in PPP terms.<sup>5</sup> Estimated GDP growth for 2009 was estimated at 8.7% per annum, after growing at an annual rate of around 10% over the last decade.<sup>6</sup> Although some have questioned the sustainability of China's economic growth, particularly under a relatively inflexible authoritarian political regime,<sup>7</sup> the performance of the Chinese economy through the Global Financial Crisis has underlined its resilience. The aggregate size of China's economy (but not of

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<sup>3</sup> See, for example, Liselotte Odgaard, *The Balance of Power in Asia-Pacific Security: US-China policies on Regional Order* (Routledge: London, 2007); Rex Li, *A Rising China and Security in East Asia* (Routledge: London, 2009); Evelyn Goh, "The U.S.-China Relationship and Asia-Pacific Security: Negotiating Change" *Asian Security*, Vol.1 No.3 (2005), pp.216-244; and Evan S.Medeiros et al, *Pacific Currents: The Responses of U.S. Allies and Security Partners in East Asia to China's Rise* (Santa Monica: Rand Corporation, 2008).

<sup>4</sup> China National Bureau of Statistics. <<http://www.chinability.com/GDP.htm>>.

<sup>5</sup> CIA World Factbook. <<https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html>>.

<sup>6</sup> Ibid.

<sup>7</sup> Susan L.Shirk, *China, fragile superpower* (New York: Oxford University Press, 2007).

course per capita GDP) is predicted to be almost as large as the United States by 2030 and significantly larger by 2050.<sup>8</sup>

On the back of its remarkable economic growth, China has engaged in significant modernisation of its armed forces. The PRC increased defence spending from US\$11.3 billion in 1993 to US\$128 billion in 2006 (in purchasing power parity terms).<sup>9</sup> According to “conservative” 2007 estimates by the US Defence Department, China’s military spending was almost twice that of Russia, 2.5 times the size of Japan’s and nearly five times the size of India’s.<sup>10</sup> Increased defence expenditure has been focused on modernisation and power projection capabilities, including modernisation of China’s nuclear capabilities, space warfare and a blue water navy.

Despite its rising economic and military power, over the last two decades China has generally taken an accommodative stance in regional affairs. China’s leadership seems generally committed to maintaining good relations with the United States and its regional neighbours while it builds comprehensive national power and expands its influence throughout Asia and around the world. It has repaired strained relations with many of its neighbours, including the resolution of long-standing land border disputes with Russia, Vietnam, Burma, Mongolia and its Central Asian neighbours. China’s most significant remaining land border dispute is with India in the Himalayas and the most significant maritime border dispute is with several Southeast Asian states over the South China Sea. China also continues to take an unyielding position over any suggestions of Taiwanese independence. Since the early 1990s, China has also made

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<sup>8</sup> Uri Dadush and Bennett Stancil, “The G20 in 2050,” *International Economic Bulletin*, Carnegie Endowment for International Peace, November 2009.

<sup>9</sup> Or \$62 billion at market exchange rates. The official defence budget showed an increase of around 20% over the prior year in local currency terms. *The Military Balance 2009*, (London: International Institute of Strategic Studies, 2009).

<sup>10</sup> Office of the Secretary of Defense, *Annual Report to Congress: Military Power of the People’s Republic of China 2008*.

significant, and quite successful, diplomatic efforts to improve relations in the region, particularly in Southeast Asia, seeking to demonstrate that its rise will be “peaceful” and that it will act as a constructive stakeholder in the international community.<sup>11</sup> It is as yet unclear whether what some see as Beijing’s “charm offensive” will continue in the long term or if China will become more assertive and revisionist as its economic and military power grows. Some believe that Chinese leadership will remain preoccupied with internal issues or that China will grow into a status quo power. However many believe that China will become increasingly assertive in its exercise of power and may perhaps seek to regain the strategic predominance that it once held in the region.<sup>12</sup>

### **1.1.3 The emergence of India**

The other major source of systemic change in the Asia-Pacific security order, and one whose implications are only starting to be widely explored, is the emergence of India as a major regional and potentially a world power. The emergence of India, occurring in conjunction with the rise of China creates an additional level of complexity in the regional security calculus and, arguably, magnifies the risk of conflict.

Analysts have been predicting the emergence of India as a major power for decades, initially hesitantly characterising India as a potential regional power and more recently confidently predicting that India will become a world power. As will be seen in chapter 2.1, India’s potential as a major power is now widely (although not universally) recognised, including by the United States. The most significant factor in India’s

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<sup>11</sup> See Bates Gill, *Rising Star: China’s New Security Diplomacy* (New York: Brookings Institute, 2007).

<sup>12</sup> For a useful discussion of different schools of thought, see Aaron L. Friedberg, “The Future of U.S.-China Relations: Is Conflict Inevitable?” *International Security*, Vol.30, No.2 (Fall 2005), pp.7-45.

emergence has been economic development over the last two decades that has placed it on a path towards becoming a major economic power.

The emergence of India as a regional power is taking place after two decades of expansion of China's power in East Asia. While there are some similarities between the strategic trajectories of India and China, there are some important differences. First, China's history as a revisionist state during much of the Cold War has led to widely-held suspicions about its role as a major power. In contrast, India's comparatively passive role in East Asia has led it to be seen in relatively benign terms, an assumption which needs to be tested. As will be seen, while this has often positioned India as reacting to China, it has also sometimes obscured India's own strategic ambitions in the region.

The emergence of India will affect the East Asian security environment in numerous ways. India has long asserted a leading security role in South Asia. It is increasingly aspiring to achieving naval predominance in the Indian Ocean (in the long term) and a significant security role in Southeast Asia generally. Another major consequence of India's rise is its relationship with China. India sees itself as a civilisational peer of China, something which it believes is not properly acknowledged. Strategic rivalry with China is a major motivating factor in India's strategic behaviour in East Asia and ideas of balancing against China is an important factor in India's growing relationships in the region. The extension of China's strategic influence into South Asia and the Indian Ocean just as India is seeking to consolidate its own influence in the region is a major source of resentment in New Delhi. India's growing strategic relationship with the United States is another potential source of uncertainty in the region. India has used its strategic relationship with the United States as something of a "bridge" to enhance its relationships in East Asia. However, the relationship with the United States is far from settled and there are many aspects to be worked through. India is unlikely in the long term to accept US strategic predominance in the region. It seeks the

development of a regional order in which India is able to exercise strategic autonomy and is recognised as a great power alongside the United States, China and Japan.

Currently, India is widely seen in East Asia as an emerging but essentially benign power. The gradual extension of Indian political, economic and strategic influence into the region is generally seen in favourable terms as potentially helping to balance the growth of China's influence. However, there is the possibility of India being seen in less benign terms as it seeks to expand its sphere of influence.

#### **1.1.4 The role of the United States in Asia**

The counterpoint to the rising power of China and India is the evolution of the US strategic role. Since 1945 the United States has been the predominant power in East Asia. It underpins the regional security environment and is likely to continue to do so for decades to come. While its role has evolved significantly since 1945 with the economic development of Asia, the rise of China (and, to a lesser extent, India) will present challenges of a different order to the United States. It seems unlikely that the United States will give up its pursuit of dominance, either globally or in Asia, any time soon. Rather, the question will be how the United States will pursue that objective compared with the past.

There is little doubt that the relationship between the United States and China and their respective strategic roles represents the greatest regional security challenge in coming years. To what extent will China challenge the predominant position of the United States in Asia? Will China seek to compete with Japan or co-opt it? Will China resort to force in its territorial disputes with Japan, Southeast Asia and India? There is much debate about the options available to the United States in dealing with China's rise. Should, for example, the United States be balancing, containing and/or engaging with China (or some combination of those approaches)? To what extent should the United States confront China or seek to negotiate an acceptable sharing of power? As

will be discussed further in chapter 1.2, some argue that in coming years the Asian security order will be characterised by bipolarity, perhaps with each of China and the United States having spheres of influence in continental and maritime East Asia. Others see a multipolar system as eventually emerging, perhaps with regional security being managed by a concert of powers among major states such as the United States, China, Japan and perhaps India.

The rise of India adds another layer to this calculus. Over the last decade or so the United States has recognised India as a potential balancer of China, and has supported India taking a more active strategic role in the region. According to Tellis the presence of two rising powers (China and India) in the international system – especially ones that share a history of mistrust and rivalry – makes the weaker of the two states an especially attractive partner for the reigning hegemon (the United States).<sup>13</sup> Some have argued that the United States is encouraging India to “do a China on China” (i.e. encouraging India to form a coalition with the United States to balance and contain China just as a coalition of the United States and China balanced and contained the former Soviet Union from the early 1970s).<sup>14</sup> However, as will be seen, India will not necessarily allow itself to be played off against China. As a result, over the coming years, the United States will need to play a rather delicate game of bringing China and India into a regional order in which the United States remains a fundamental participant. The US also will also need to provide continuing reassurance to its partners in maritime East Asia that it will continue in its role as a benign offshore balancer.

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<sup>13</sup> Ashley Tellis, “US and Indian Interests in India’s Extended Neighbourhood,” in Alyssa Ayres and C.Raja Mohan, *Power Realignment in Asia: China, India and the United States* (New Delhi: Sage Publications, 2009), pp.221-248, at p.222.

<sup>14</sup> Venu Rajamony, “India-China-U.S. triangle: A “Soft” Balance of Power System in the Making,” *Centre for Strategic and International Studies*, March 2002.

### **1.1.5 Russia, Japan and Southeast Asia in the changing strategic environment**

For most practical purposes Russia lost its status as a great power in East Asia with the end of the Cold War. After two decades deterioration of its conventional military capabilities, including the once powerful Soviet Pacific Fleet, Russia now has limited power projection capacity in East Asia and relatively limited regional influence. China has been the greatest winner in this strategic shift. The end of the armed standoff between the Soviet Union and China and renewed strategic cooperation between Russia and China has allowed China to refocus its military strength elsewhere.

Nevertheless, Russia is still widely regarded as a “great” power in global terms by virtue, among other things, of a nuclear weapons capacity rivalling the United States and its position on the UN Security Council. There have also been indications of greater strategic assertiveness of Russia in Europe and Central Asia in recent years. However, it seems unlikely that Russia will regain the strategic influence that it once had in East Asia, at least in the short or medium term. Some of Russia’s strategic relationships in the region continue, particularly its longstanding arms supply relationships with India and Vietnam. However, as will be discussed in chapter 2.2, while Russia is still regarded by many in New Delhi as a strategic friend of India, it has largely lost its broader influence on Indian strategic thinking.

Japan is the other major power in the Asia Pacific strategic order. Nowhere have the uncertainties in the current strategic environment been more keenly felt than there.<sup>15</sup> Japan was the greatest beneficiary of the Cold War strategic order. Its strategic importance to the United States during the Cold War granted it a “free ride” in security

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<sup>15</sup> See generally, Kenneth Pyle, *Japan Rising: the resurgence of Japanese power and purpose* (New York: Public Affairs, 2007); and Richard J. Samuels, *Securing Japan: Tokyo’s Grand Strategy and the Future of East Asia* (Ithaca: Cornell University Press, 2007).



and allowed it to pursue mercantilist economic policies, making it one of the richest states in the world. Its strategic position has since progressively unravelled. Japan's relative economic power peaked in 1990 and has been in relative decline since then and Japan's ability to pursue a free ride in security is also becoming increasingly unviable. Since the turn of the century Tokyo has had growing security concerns about China, particularly about the potential for the United States to abandon it in favour of a partnership with China. Japan's security fears, which some have described as "approaching panic" are increasingly leading it to take a more active role in developing security relationships in the region. As will be discussed in Part 4, Japan is likely to play a crucial role in India's strategic engagement with East Asia.

The states of Southeast Asia have arguably been the most successful in accommodating changes in the regional balance of power and encouraging first China and now India to become constructive participants in the regional security order. The formation of ASEAN in the late 1960s provided Southeast Asian member states with a mechanism for moderating sub-regional tensions and for leveraging their position with the major powers, including through regional economic and political institutions that are centred on ASEAN (including the ASEAN Regional Forum, ASEAN Plus Three and the East Asian Summit). With the rise of China, ASEAN states have successfully engaged with China while implicitly encouraging the continued role of the United States as a guarantor of regional security. ASEAN states have also, for the most part, been enthusiastic in developing economic, political and security relationships with India to ensure a continued balance among the major powers. ASEAN states have benefited significantly from the growth of China's economy and are now well positioned to benefit from growth in the Indian economy. However, in recent years there has been growing impatience about the limitations of the "ASEAN" way in the realm of security and there is a perceived risk that ASEAN will lose its position as an organisational focus for the region.

### 1.1.6 Thinking about the regional security order

Much ink has been spilled about the developing regional security “architecture” although little consensus has developed on how to address the changing security order.<sup>16</sup> Although there is a widespread view that the long-standing US “hub and spoke” alliance system is not adequate to deal with the current security environment few argue that it does not continue to play an important role. There have been some important developments in the US-alliance system in recent years, including the development of bilateral security linkages between the principal US regional allies (Japan, South Korea and Australia), complemented by bilateral security linkages between India and the US, Japan and Australia. This has been described as a “core and network” system in which there is a network of security relationships throughout the region, anchored by the core US alliances. Some who regard China as the region’s principal security threat see these developments as part of an evolution of the US alliance system into a multilateral collective defence system to “balance” or “contain” China and that the Shanghai Cooperation Organisation, founded by China to promote security cooperation with Russia and Central Asian states, is the rough counterpart to a US-sponsored grouping.<sup>17</sup>

Others have argued in favour of a cooperative regional security model including China, somewhat along the lines of the Organisation for Security and Cooperation which brought the Soviet Union into a Europe-wide security system.<sup>18</sup> However, few believe that Asia is ready for a region-wide collective security system.

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<sup>16</sup> See for example, Ron Huiskens (ed.), *The Architecture of Security in the Asia-Pacific*, Australian National University, Canberra Papers on Strategy and Defence No. 174; and Amitav Acharya and Evelyn Goh (eds), *Reassessing Security Cooperation in the Asia Pacific: Competition, Congruence and Transformation* (Cambridge: MIT Press, 2007).

<sup>17</sup> Robert Kagan, “The Illusion of ‘Managing’ China,” *The Washington Post*, 15 May 2005.

<sup>18</sup> Jung Sung-ki, “Helsinki Model proposed for N-E Asian Security,” *The Korea Times*, 21 June 2007.

Many proposals for regional security revolve around ideas of a “concert of powers” among the major powers of the Asia-Pacific which are usually identified to include the United States, China, Japan and India and others.<sup>19</sup> A concert of powers most famously operated in nineteenth century Europe for a period after the Napoleonic wars when a consortium of great powers took responsibility for regional security. A concert does not necessarily require harmony among the major powers and can act as a mechanism for the settlement of disputes between them and in relation to smaller states. Such an approach if developed in Asia, it is claimed, would allow the major Asia-Pacific powers to take informal responsibility for management of regional security, allowing them to reach acceptable compromises without the distractions and demands of small states in the large multilateral fora. However, it is not clear what factors, short of a major war, might precipitate such a coalition of major powers and whether the relationships between the major powers have reached the requisite level of maturity and depth for such a system to work.

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<sup>19</sup> See for example, Coral Bell, “The End of the Vasco da Gama Era: The Next Landscape of World Politics” Lowy Institute for International Policy, Paper #21, 2007; Amitav Acharya, “A Concert of Asia”, *Survival*, Vol.41, No.3 (September 1999), pp.84-101; Susan L. Shirk, “Asia-Pacific Regional Security: Balance of Power or Concert of Powers?” in David A. Lake and Patrick M. Morgan (eds), *Regional Orders: Building Security in a New World* (University Park: Penn State University Press, 1997); Jusuf Wanandi, “East Asian Regionalism and Global Governance” in Jusuf Wanandi and Tadashi Yamamoto, *East Asia and a Crossroads*. (Tokyo: Japan Centre for International Exchange, 2008), pp.19-37.

## **Chapter 1.2     Theoretical analysis of the Asian strategic order**

- 1.2.1     Realist explanations of the Asian security order
- 1.2.2     Empirical theories of the Asian security order
- 1.2.3     Geopolitical analysis and Asia
- 1.2.4     The role of regions in Asian security
- 1.2.5     A case for analytical eclecticism in understanding India's strategic engagement with East Asia

### **Introduction**

Theoretical debates on Asian security over the last two decades have led to little consensus in explanations of the evolving strategic order. Strategic developments in Asia since the end of the Cold War have been a fertile battleground between those who see confrontation between China and the United States as the driving force in the changing regional order, and others who have sought to explain the evolving order through *sui generis* theories or who emphasise the importance of geographical or sub-regional dynamics. This section will review four groups of theories of international relations that seek to explain strategic behaviour in Asia and will argue that each theory is useful - but not sufficient - in understanding the intersection of forces underlying India's strategic engagement with East Asia.

#### **1.2.1     Realist explanations of the Asian security order**

Realist theories of international relations have not proved to be a good predictive tool for developments in the Asian strategic order since the end of the Cold War. The behaviour of states seems to have been very different from the stark choices that these theories would suggest. However, many analysts continue to use realist concepts in describing state behaviour and the concept of the balance of power continues, expressly or impliedly, to occupy an important role in strategic analysis.

An examination of realist theories and their limitations therefore forms a good starting point for any theoretical discussion.

A central claim of structural realist theories is that states will in the aggregate react to any change in the distribution of power to prevent any other state gaining hegemony and that they will be expected to do so primarily by joining with other states to “balance” against the stronger state. There are a number of variations within this claim. So-called “offensive” realists claim that the primary aim of a state is to increase its power relative to other states.<sup>1</sup> In contrast “defensive” realists focus on a state’s search for security, primarily through the balance of power.<sup>2</sup> A state’s security needs can be affected by such factors as the offensive-defensive military balance (i.e. the extent to which geography, technology or other factors advantages offensive or defensive military action), or the “security dilemma” created by search for security by another state.<sup>3</sup> Another important variation is the suggestion that states will primarily respond not to another state’s objective capabilities, but to the “balance of threats” (i.e. the *perceived threat* presented by another state).<sup>4</sup>

### ***Predictions using realist theories***

Realist theory has been used to make a number of predictions about the likely responses of states to changes in the distribution of power in Asia, particularly the impact of changes in relative power between the United States and China. *Waltzian* realists might predict that smaller states would flock to join the weaker side (i.e. China)

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<sup>1</sup> John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton & Co, 2001).

<sup>2</sup> Kenneth Waltz, *Theory of International Politics* (Reading: Addison-Wesley, 1979).

<sup>3</sup> See Robert Jervis, “Cooperation under the Security Dilemma” *World Politics*, Vol.30 No.2 (1978), pp.167-214.

<sup>4</sup> Stephen Walt, *The Origins of Alliances* (Ithaca: Cornell University Press, 1987).

to balance against the stronger US power, while *Waltian* realists might predict that they would flock to join the United States against the greater threat perceived to be posed by China.

Offensive realists have a particularly bleak view of what they call the “unpeaceful” rise of China and its challenge to US hegemony.<sup>5</sup> Mearsheimer believes that over the next few decades, the United States and China are likely to engage in intense security competition as China seeks to become a regional hegemon, predicting that China will seek to dominate Asia just as the United States has dominated the Western Hemisphere since the nineteenth century. In order to achieve this, China will pursue military superiority so that it is in a position to dictate the boundaries of acceptable behaviour in neighbouring states. He predicts that the United States will seek to contain China through strategies similar to those employed against the Soviet Union. Mearsheimer believes that most of China’s neighbours, including India, Japan, Singapore, South Korea, Russia and Vietnam will join a US-led balancing coalition to check China’s rise just as many states joined with the United States to contain the Soviet Union during the Cold War.

So-called “defensive” neorealists are generally less pessimistic about the inevitability of conflict in Asia, suggesting that while security competition between China and the United States exists it is likely to be manageable. They see many countervailing factors which favour stability and cooperation in Sino-US relations, such as the effects of nuclear deterrence, economic factors, or a defensive military advantage which favours China in its continental East Asian domain and the United States in its maritime domain.<sup>6</sup> While they acknowledge that there are dangers of “foolish” assertiveness on

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<sup>5</sup> See, for example, Kagan, “The Illusion of ‘Managing’ China”; and John Mearsheimer, “China’s Unpeaceful Rise” *Current History*, (April 2006) 105, 690, Academic Research Library, pp.160-2.

<sup>6</sup> Thomas J. Christensen, “Fostering Stability or Creating a Monster? The Rise of China and U.S. Policy toward East Asia,” *International Security*, Vol.31 No.1 (Summer 2006), pp.81-126; and

the part of China, they generally believe that it does not make much sense for China to aggressively pursue regional hegemony because to do so would cause its rivals to form a balancing coalition. Despite these reasons for optimism, they nevertheless see an inevitability in the logic of balance of power. As a result, defensive realists would perceive the United States' security relationships with larger powers such as Japan and India as being foundation stones in the US balancing strategy against China in the Pacific and Indian Oceans. Further, there is an assumption that if push comes to shove between the United States and China, smaller states could no longer avoid the issue by accommodating China, as many have done, but would be essentially forced to take sides.<sup>7</sup>

### ***Critiques of realist analysis***

Realist theory has been the subject of significant criticism due to its apparent inability to predict strategic behaviour in Asia over the last two decades. Many realists predicted that with the end of the Cold War Japan would be expected to abandon its alliance with the United States and balance militarily against it, a prediction which has neither occurred nor seems likely in the foreseeable future.<sup>8</sup> Similarly, there is little evidence in support of realist predictions that Southeast Asian states will join a balancing coalition with the United States against China any time soon. Several studies of strategic behaviour in East Asia have concluded that most states are

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Robert Ross, "Bipolarity and Balancing in East Asia," in T.V.Paul, James J.Wirtz and Michel Fortmann (eds), *Balance of Power: theory and practice in the 21st century* (Stanford: Stanford University Press, 2004), pp.267-304.

<sup>7</sup> See, for example, Robert S. Ross, "Balance of power politics and the rise of China: Accommodation and balancing in East Asia," *Security Studies*, Vol.15, No.3 (July-September 2006), pp.355-395.

<sup>8</sup> Kenneth Waltz, "Interview with Kenneth Waltz", *Review of International Studies*, Vol.24, No.3 (1998), pp.371-86 at p.378; and Christopher Layne, "The unipolar illusion: Why new great powers will rise" *International Security*, Vol.17 No.4 (1993) pp. 5-51.

accommodating China's rise and few are balancing against China.<sup>9</sup> While some realists would argue that the theory can only be judged in the "long run" others might argue that this predictive failure can be attributed to certain methodological limitations of realist theory, particularly in its application to a multipolar security system.

As noted above, the central "mechanism" of realist theory is its version of the "balance of power," which might be seen as a *process* involving the aggregate actions of states moving from an unbalanced distribution of power towards a balanced distribution of power. If an "external" factor (e.g. economic growth) causes a change in the relative distribution of military power among states (i.e. disequilibrium), other states will make an aggregate response in the long run (e.g. forming a balancing coalition against the rising state) to bring the overall system to a new equilibrium. Importantly, realism does not purport to predict the reaction of each and every state to disequilibrium, only the *aggregate effect* of state reactions. The modern realist tradition treats states as essentially functionally undifferentiated except for their respective power capabilities. States are treated as being like "billiard balls" that vary only in size. Differentiating features of a state, such as its culture, historical experience, ideology, political system, or character or beliefs of political leaders are discarded as irrelevant to the model.<sup>10</sup> This functional undifferentiation underlies what has been called the problem of "indeterminacy." That is, the theory can be used to identify a range of strategies that states may use to maximise their position. However, beyond the case of a simplified bipolar world, realist theory is not helpful in predicting the behaviour of a specific state

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<sup>9</sup> See, for example, David C.Kang, *China Rising: Peace, Power, and Order in East Asia* (New York: Columbia University Press, 2007); Evelyn Goh, "Great Powers and Hierarchical Order in Southeast Asia: Analysing Regional Security Challenges" *International Security*, Vol.32, No.3 (Winter 2007/08), pp.113-157 at p.116; and Acharya, "Will Asia's Past be its Future?" *International Security*, at pp.152-3.

<sup>10</sup> Mearsheimer, *The Tragedy of Great Power Politics*, at p.18



in face of a possible threat. This means that all manner of different strategic behaviours are potentially consistent with the theory.

The problem of indeterminacy is closely related to another limitation – derived from the problem of collective action. At its essence, realist theory may identify the *collective interests* of states in responding to a change in the relative distribution of power. However, it is not well equipped to identify the interests of *individual* states in relation to that change, nor can it necessarily identify the aggregate *outcome*. The issue of collective action of states is merely one instance of the problem of collective action within any social group. According to the theory of collective action, if an individual actor needs to do something that will profit only him then he will do it if the personal benefit outweighs the personal cost. However, where a benefit is available to everyone an individual will generally avoid paying the costs of providing the common good unless compelled to do so. If only some individuals make sacrifices to provide the common good then they will be required to bear a disproportionate part of the cost. As a result, common goods will often go unprovided or may be provided inefficiently, particularly where there is no ultimate authority over individual behaviour.<sup>11</sup> International security is a commonly recognised example of a common good, where states may benefit from security without having contributed towards it.

When seen in this light, it is little surprise that an individual state may not be compelled to engage in highly costly and risky active balancing behaviour suggested by realist theory if it perceives that another state will do so and its own circumstances are not conducive to it taking an active role. Although realist theory may help us identify a *collective interest* in balancing (e.g. against a perceived threat from China), it would also be a mistake to assume that the collective interest will (sooner or later) lead to a *collective outcome*. These limitations are particularly evident in predicting the behaviour of smaller powers. The smaller a state is, then the greater its dilemma will

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<sup>11</sup> Mancur Olson, *Logic of Collective Action* (Cambridge: Harvard University Press, 1965), p.35.

be in deciding to contribute to the common good through balancing against a perceived threat – the costs to a small state in contributing to the common good can easily outweigh the benefits.

The problems of indeterminacy and collective action can be used as grounds for the fundamental criticism of realist theory.<sup>12</sup> While balancing could make sense to a great power such as the United States, lesser states in East Asia often have very different considerations. This is not to say that the theory cannot provide useful insights relevant to India's strategic engagement with East Asia. Problems with the use of realist theory as a predictive device does not mean that some states do not pay great attention to the balance of power and act to maintain that balance. This is particularly the case with larger states where the differential between individual and group costs is less. Thus, as will be seen in Parts 3 and 4, while the security relationship between India and Japan could not be described as engaging in "hard balancing" against China, considerations of "soft balancing" are an important factor in the relationship. However, balance of power considerations are much less evident in India's relationships with lesser states in East Asia.

### **1.2.2 Empirical explanations of the Asian security order**

This section will examine some empirically based explanations of the Asian security order. These often focus on Southeast Asia where states have displayed a significant degree of pro-active behaviour in molding the regional order. Goh, for example, suggests that instead of engaging in classic "balance of power" behaviour predicted by realist theory, Southeast Asian states are engaging in a sophisticated type of balancing

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<sup>12</sup> Thomas J. Christensen and Jack Snyder, "Chain Gangs and Passed Bucks: predicting alliance patterns in multipolarity," *International Organisation*, Vol.44, No.2 (March 1990), pp.138-168 at p.138; and Ned Lebow "The Long Peace, the End of the Cold War and the Failure of Realism" *International Organization*, Vol.48, No.2 (Spring 1994), pp.249-77 at p.250.

behaviour she calls “omni-enmeshment.”<sup>13</sup> According to Goh, the way in which balance of power is understood and acted upon in Southeast Asia differs from the standard realist definition. Rather than balancing *against* external powers such as the United States or China, they seek to facilitate a balance *among* external powers in terms of their interests in Southeast Asia. Since the end of the Cold War this has involved harnessing superior US forces in the region to persuade Beijing that any aggressive action by it would be too costly, through “triangular politics” (i.e. the use of bilateral relations with one power as leverage to improve relations with another), and through integration and socialisation of China into the regional system.

According to Goh, the process of “omni-enmeshment” followed in Southeast Asia is not merely a time-buying or avoidance strategy in relation to the rise of China. It has involved drawing China into a deep involvement in international society, enveloping it in a web of sustained exchanges and relationships, with the long term aim of integration into the regional order. According to Goh, the rationale behind this approach draws from liberal institutionalist approaches to international relations, involving the “opening up, tying down and binding together” of potential rivals. It shares much in common with what others describe as the “socialisation” of China in international affairs.<sup>14</sup> Singapore, in particular, has most clearly articulated the strategy of diversifying bilateral relations with major powers by promoting them as integral elements of policies to manage regional stability. The idea, according to one Singaporean official, is to “deepen interdependence and to strengthen their sense of

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<sup>13</sup> Goh, “Great Powers and Hierarchical Order in Southeast Asia.”

<sup>14</sup> See generally, Alastair I. Johnston, “Socialization in International Relations: The ASEAN Way and International Relations Theory,” in G. John Ikenberry and Michael Mastanduno (eds), *International Relations Theory and the Asia-Pacific* (New York: Columbia University Press, 2003).

having a stake in the region's security, so that they would be more interested in helping to maintain regional stability."<sup>15</sup>

While much of the focus of the debate has been on ASEAN's embrace of China, Goh emphasises that this is a multidirectional strategy that also applies to other extra-regional powers (including the United States, Japan and India), in relation to which ASEAN has much lesser threat perceptions. According to Goh, this policy involves an attempt to alter the relationship between major extra-regional powers to avoid destabilising rivalry within Southeast Asia. According to one Malaysian official: "what we really want to do is help the 'elephants' get to a point where their interests are so intertwined that it would be too costly for them to fight."<sup>16</sup>

Others who argue for the importance of *sui generis* factors in East Asian relations include those who emphasise the significance of a historical hierarchy of states in the region. Kang argues that the international system in East Asia is historically a hierarchical system centred on China and that this stable and relatively peaceful system is now being re-created.<sup>17</sup> Kang claims that Europe's historical system was based on the formal equality of states with an informal hierarchy based on power while the Chinese tribute system rested on formal inequality but *de facto* equality in the sense that tributary states remained effectively free. As long as these states did what was expected in the Chinese court, China largely left them alone. Even when China was militarily strong it rarely invaded its neighbours. Goh also emphasises the importance of state hierarchy in East Asia, not as a modern version of the Chinese tribute system but as a flexible hierarchical order headed by the United States. According to Goh, East Asian states recognise the United States as the superpower,

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<sup>15</sup> Goh, "Great Powers and Hierarchical Order in Southeast Asia," p.122.

<sup>16</sup> As quoted in Goh, "Great Powers and Hierarchical Order in Southeast Asia," p.123.

<sup>17</sup> Kang, *China Rising*, at p.49.

China as the regional great power, Japan and India as regional major powers, and then other regional players such as ASEAN, Australia and South Korea.<sup>18</sup>

As will be seen in Part 3, India's relationships in Southeast Asia, and particularly with Singapore, contain many elements of the complex balancing behaviour suggested by Goh. Singapore is actively drawing India into the region in political, economic and security terms in order to help provide a counterweight not only to China but arguably also to the United States and Japan. However, in contrast to realist predictions, there is no suggestion that Singapore is seeking to build, or even lay a foundation for, any balancing coalition against China. Considerations of hierarchy also provide insights into some of India's relationships in East Asia. Kang's observations about traditional hierarchies and tribute relationships with China are important in understanding some features of India's engagement with Southeast Asia. India, which always lay outside the Chinese tribute system and regards itself as a civilisational peer of China, is arguably in some ways a disruptive force in East Asian relations. In its dealings with the region, India has not always paid adequate cognisance to the complexities of East Asian relationships with China, nor are India's great power ambitions always consistent with East Asian perceptions of regional hierarchy. This analysis underlines India's historical status as an outsider in its dealings in East Asia.

### **1.2.3 Geopolitical analysis and Asia**

Geopolitical analysis has long languished as a virtual footnote in Western international relations theory, where it is sometimes regarded as an outmoded or unsophisticated lens for understanding strategic relationships. However, over the last decade or more geopolitical theories, particularly focusing on the importance of maritime power, have

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<sup>18</sup> Goh, "Great Powers and Hierarchical Order in Southeast Asia," at p.150.

become prominent in strategic analysis in Asia.<sup>19</sup> As will be seen in chapter 2.2, geopolitical analysis is now an important factor in India's understanding of regional security dynamics, particularly in justifications for the development of an Indian sphere of influence. According to Mohan: "The sneering tone of the West vis a vis the Chinese and Indian fascination for geopolitics tells us more about the ethnocentrism in the West and its belief that the dominant view of the West today must necessarily be the prevailing fashion all across the world..."<sup>20</sup>

Geopolitics places emphasis on geographic factors in shaping strategic behaviour. Geopolitical theorists tend to see differences between the basic strategic outlooks and behaviour of states as arising from geography, making distinctions between "continental" states that are physically and psychologically centred in the Eurasian continent and "maritime" states that are more or less located on the Eurasian periphery or elsewhere. Cohen, for example, sees Asia as comprised of: a continental realm which includes Russia and (historically) China; a maritime realm which includes Japan and other trade dependent East Asian states; and a mixed maritime/continental realm which includes India.<sup>21</sup> The difference is seen as critical in terms of military power. While continental states will seek to project power over land, maritime states will focus on the projection of maritime power over long distances, the control of maritime trade through control over sea lines of communication and the development of maritime spheres of influence. Some regard the difference as also affecting a state's underlying economic and political systems: maritime states are often characterised as liberal both economically and politically, in contrast to continental states that tend to be economically illiberal and authoritarian. Thus maritime Britain

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<sup>19</sup> For example, Scott, "India's "Grand Strategy" for the Indian Ocean: Mahanian Visions," at 109; and Banyan, "The notion that geography is power is making an unwelcome comeback in Asia," *The Economist*, 11 June 2009.

<sup>20</sup> Mohan, "Maritime Power: India and China turn to Mahan," 9.

<sup>21</sup> Saul Bernard Cohen, *Geopolitics of the World System* (Lanham: Rowman & Littlefield, 2003).

is contrasted with pre-war continental Germany<sup>22</sup> and the maritime United States with continental Russia.<sup>23</sup> According to one maritime theorist:

*“Maritime supremacy is the key which unlocks most, if not all, large questions in modern history, certainly the puzzle of how and why we – the Western democracies – are as we are. We are the heirs of maritime supremacy.”*<sup>24</sup>

There is no clear consensus among geopolitical theorists as to where India fits in this picture. Although India has historically had a largely continental strategic outlook, some believe that it may evolve into a great maritime power. Karnad, a leading Indian nuclear theorist, argues that India as a so-called “Rimland” power has the flexibility to choose between a maritime or continental perspective and in doing so is able to tip the balance for or against the mainly maritimid United States in its contest with a continentalist China.<sup>25</sup> Questions of maritime versus continental perspectives also underlie the debate as to whether the centre of gravity of India’s strategic orientation should lie towards the west (e.g. Pakistan, Iran, the Middle East), a region which is predominantly continentalist in outlook or the east (eg. Southeast Asia and maritime East Asia), which is primarily maritime in nature. Arguably, India’s strategic re-orientation towards maritime East Asia in recent years not only reflects a change in geographical focus, but also reflects a change in Indian strategic outlook towards the strategic perspectives shared by those states.

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<sup>22</sup> See, for example, H. van der Wusten; G. Dijkink, “German, British and French Geopolitics: The Enduring Differences,” *Geopolitics*, Vol. 7, No. 3 (Winter 2002), pp.19 – 38.

<sup>23</sup> Colin S. Gray, *The geopolitics of the nuclear era: heartland, rimlands, and the technological revolution* (New York: Crane, Russak, 1977).

<sup>24</sup> Peter Padfield, *Maritime supremacy and the opening of the western mind: Naval campaigns that shaped the modern world* (New York: Overlook, 2000), p.1.

<sup>25</sup> B.Karnad, “India’s Future Plans and Defence Requirements” in N.S. Sisodia and C. Uday Bhaskar (eds), *Emerging India: Security and Foreign Policy Perspectives* (New Delhi: Institute for Defence Studies and Analyses, 2005), pp.62-63.

As will be discussed in Part 2, geopolitical analysis can usefully contribute to an understanding of India's changing strategic perspectives, particularly towards maritime power and a perceived imperative to expand its strategic space. These are important elements in the overall picture of India's strategic outlook. However, geopolitical analysis is relatively undeveloped in many respects, particularly in understanding the dynamics of India's interaction with other states. Geopolitical analysis therefore only provides a limited theoretical framework for the examination of India's engagement with East Asia.

#### **1.2.4 The role of regions in Asian security**

A further theoretical dimension is the extent to which it is valid to examine the strategic interaction of states as geographically disparate as India, Singapore and Japan within a presumed "Asian" security order. As will be argued, the existence and evolution of security subregions in Asia - South, Southeast and Northeast Asia - is of crucial importance in understanding India's historical relationships and the increased strategic interaction between India and East Asia in recent years.

Focus on the role and significance of regional and subregional security orders has been particularly associated with what has been called the "Copenhagen School." This school of thought claims that, despite the impact of globalisation, the regional level has become a major locus of conflict and cooperation for states and an important level of strategic analysis.<sup>26</sup> According to Buzan, regional security dynamics must be understood within what he calls a "security complex" or a set of states whose major security perceptions and concerns are so interlinked that their national security

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<sup>26</sup> See Barry Buzan, Ole Waever and Jaap de Wilde, *Security: A New Framework for Analysis* (Boulder: Lynne Rienner Publishers, 1998); Barry Buzan and Gowher Rizvi, *South Asian Insecurity and the Great Powers* (New York: St Martin's Press, 1986); and Lake and Morgan, *Regional Orders*.



problems cannot reasonably be analysed or resolved apart from one another. Buzan asserts that regionally based clusters are the normal pattern of security interdependence in the international system, and have gained particular importance following the end of the imperialist era and the Cold War.<sup>27</sup> The particular character of a regional security complex will often be affected by historical factors such as long-standing enmities or a common cultural embrace of a civilisational area. The standard security pattern for a regional security complex is a pattern of rivalry and balance of power among the main powers within the region, to which can be added the effect of intervening external powers which occurs when outside powers make security alignments with states within the region. Balance of power logic encourages local rivals to call in outside help and by this mechanism the local patterns of rivalry become linked to the global ones.

### ***Regional security complex theory and Asia***

For Buzan, Asia represents a peculiar case in understanding regional security dynamics. Buzan believes that for geographical and historical reasons Asia could be split into 3 distinct sub-regions: Northeast Asia, Southeast Asia and South Asia. Northeast Asia is comprised of China, the Korean peninsula and Japan. It is characterised by great power rivalry between China and Japan, with the significant involvement of the United States (and, until the end of the Cold War, Russia). Southeast Asia is comprised of a large number of secondary states in the Southeast Asian peninsula and archipelago. South Asia is comprised of India and Pakistan, as the major regional rivals, and a number of smaller states that are geographically and civilisationally part of the region.

Until relatively recently the security dynamics of each of these regions operated with relative indifference towards each other. Historically, there has been negligible political or security interaction between South Asia and Northeast Asia. Until the

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<sup>27</sup> Buzan *et al*, *Security: A New Framework for Analysis*, pp.10-11.

1950s, Tibet served to insulate South Asia from China; although the Himalayas continue to represent a major geographical barrier. Since the 1950s China has played a relatively active role as an outside power in South Asia through an alliance with Pakistan and relations with smaller states. South Asia is also divided from Southeast Asia by an “insulator” state, Burma, which was one cause of the absence of security interaction between the regions. Historically there was a greater level of security interaction between Northeast Asia and Southeast Asia. These included Japan’s short-lived empire in Southeast Asia in the 1940s and China’s cultural and ethnic links with the region, which included historical suzerainty over several states.

According to Buzan, since the end of the Cold War, the distinctions between the security regions in Asia have been changing - the Northeast and Southeast Asian security regions have been merging with each other and, to a lesser extent, also with the South Asia.<sup>28</sup> The transformation has been most evident in East Asia. The end of the Cold War involving the withdrawal of Soviet and the partial withdrawal of US military power from Southeast Asia allowed significantly greater freedom for China and greater incentive for Japan to interact with Southeast Asia on a security level. ASEAN, which was formed as a weak subregional security regime in the face of superpower intervention during the Cold War, institutionalised engagement between Southeast and Northeast Asia on a number of levels.

The increased level of security interaction between South and East Asia in recent times has been driven by the transformations in South Asia including the decay of Pakistan’s claim to be a regional pole of power and the intensification of India’s rivalry with China. Buzan argues that the South Asian security region is trending towards unipolarity, allowing India to gradually transcend its long-standing confinement to South Asia and carve out a wider role as an Asian great power. The greater economic and political role of China in Southeast Asia has also led to ASEAN states “pulling” India

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<sup>28</sup> Ibid., p.96.

into the region as a balancing force. As will be seen in chapter 3.1, Singapore has been at the forefront of recognising the breakdown of barriers between strategic South Asia and East Asia. According to Singapore's Senior Minister Goh Chok Tong, the issue is how to "fold a growing South Asia and East Asia into one equation."<sup>29</sup>

This thesis will argue that the impact of security sub-regions within Asia as suggested by Buzan is highly consistent with the history of India's interaction with East Asia. The theory appears to provide an extremely useful framework for understanding the history of strategic indifference between South Asia and East Asia and the partial breakdown of that indifference. However, regional theory in itself does not fully explain the forces driving state behaviour beyond historical patterns of enmity and amity between states, and is therefore an incomplete explanation of strategic behaviour.

#### **1.2.5 A case for analytical eclecticism in understanding India's strategic engagement with East Asia**

It has been argued above that several theories of strategic behaviour can provide useful, if incomplete, insights into India's strategic interaction with East Asia. This thesis proposes that the starting point for understanding India's security relationships in East Asia is the perceptions of the participants in those relationships. This is an approach which arguably underlies both materialist and non-materialist explanations of international relations.<sup>30</sup> As Robert Jervis has shown, the perceptions used in making foreign policy decisions come from the application of data by a state's decision-makers to existing theories about international relations and images of other

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<sup>29</sup> Goh Chok Tong, "Reconceptualising East Asia", Speech at the Institute of South Asian Studies, 27 January 2005.

<sup>30</sup> For example, the "balance of threat" theory is inevitably a balance of threats as *perceived* by decision-makers. See Walt, *The Origins of Alliances*.

states. The application of data to different theories and images will often result in the same set of data being perceived or understood in different ways, including perceptions of threats and of shared interests.<sup>31</sup> In order to properly understand those differing perceptions, one must therefore also understand the theories and images being applied by relevant decision-makers. As will be seen in chapter 2.2, India's security relationships in East Asia are perceived through a variety of concepts, including the balance of power, regional identity politics, as well as strong elements of geopolitical thinking.

In understanding these perceptions, this thesis will not seek to characterise them by applying what has been called the "jealous god" of a single universalist theoretical paradigm.<sup>32</sup> It is submitted that such an approach often conceals more than it reveals in seeking to understand the multifaceted – and sometimes inconsistent – motivations involved. Significant developments in international relations are rarely shaped by a single factor (or set of factors) emphasised by the competing paradigms in international relations theory. Rather, they are invariably shaped by complementary processes which happen to converge or intersect so as to overcome contradictory processes.<sup>33</sup> One could argue that the security dynamics in Asia, with its great cultural and historical diversity and quite delineated security subregions, may be particularly prone to a confusion of complementary and contradictory strategic processes as compared with other regions of the world. Certainly, attempts to apply a single theoretical perspective to Asia have consistently failed to fully explain strategic behaviour, particularly that of India.<sup>34</sup>

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<sup>31</sup> See generally, Robert Jervis, *Perceptions and Misperceptions in International Politics* (Princeton: Princeton University Press, 1976).

<sup>32</sup> Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton: Princeton University Press, 1994), at p.350.

<sup>33</sup> Friedberg, "The Future of U.S.-China Relations," p.11.

<sup>34</sup> Mohan, *Crossing the Rubicon*.

Rather than attempting to explain India's strategic engagement with East Asia through the lens of a single paradigm, this thesis will seek to use something analogous to what has been called "analytical eclecticism." This is an approach which acknowledges that elements of different strategic paradigms may be operating simultaneously in strategic relationships without a single paradigm providing a comprehensive understanding of that relationship.<sup>35</sup> It also acknowledges that strategic relationships are rarely viewed by decision-makers in accordance with a single theoretical perspective. Parts 2, 3 and 4 of this thesis will examine the competing and contradictory factors shaping India's strategic relationships. The significance of these factors will then be considered using the insights provided by the theoretical paradigms discussed above.

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<sup>35</sup> See Peter J.Katzenstein and Rudra Sil, "A Case for Analytical Eclecticism" in J.J.Suh, Peter J.Katzenstein and Allen Carlson, *Rethinking Security in East Asia: Identity, Power and Efficiency* (Stanford: Stanford University Press, 2004).

## **Part 2 The foundations of India's engagement with East Asia**

Part 2 will establish the underpinnings of India's engagement with East Asia. **Chapter 2.1** provides an overview of India's emergence as a major Asian power over the last two decades. **Chapter 2.2** will discuss the development of Indian strategic thinking, particularly in relation to East Asia. The following two chapters will focus on the two main drivers of India's strategic engagement with East Asia: **chapter 2.3** will focus on India's ambitions to become a great maritime power in the Indian Ocean region and beyond, and **chapter 2.4** will consider the dimensions of strategic rivalry between India and China.

Key themes that will be examined in this part include:

- The emergence of India as a major regional power and the gap between its capabilities and strategic aspirations.
- The key elements in Indian strategic thinking about East Asia, including the objectives of strategic autonomy, multipolarity and the creation of a sphere of influence in the Indian Ocean region.
- The significance of India's strategic ambitions in the Indian Ocean for its role in East Asia.
- Strategic competition with China as a driving force in Indian strategic behaviour.

## **Chapter 2.1 The emergence of India as a major regional power**

- 2.1.1 India's strategic position at the end of the Cold War
- 2.1.2 India's post-Cold War engagement with Asia
- 2.1.3 The role of the United States in India's emergence
- 2.1.4 India as an emerging great power

### **Introduction**

This chapter provides an overview of India's emergence as a major power in Asia. It will examine India's strategic circumstances at the end of the Cold War and provide an overview of India's strategic engagement with Asia, with particular focus on East Asia. It will then consider India's strategic engagement with the United States over the last decade or more. Lastly, it will examine India's claims to be an emerging great power.

#### **2.1.1 India's strategic position at the end of the Cold War**

From independence until the end of the Cold War India functioned within what might be called the "Nehruvian system," a series of interlocking political, economic and foreign policy systems put in place by Jawaharlal Nehru, and later modified by his daughter Indira Gandhi and then his grandson, Rajiv Gandhi.

The political system was dominated by the Congress Party, led by the Nehru dynasty, which had brought India independence and had, except for a brief period, held central government since 1947.<sup>1</sup> The Indian economy operated under a mixture of state-owned enterprises holding the "commanding heights" of the economy and a private sector dominated by monopoly capitalists protected by a strict licensing system (the

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<sup>1</sup> For a study of the Nehruvian political system, see Tariq Ali, *The Nehrus and the Gandhis: an Indian Dynasty* (London: Picador, 2005).

so-called “Licensing Raj”). Nehruvian economic policies left India with the most closed and one of the most highly regulated economies in the non-communist world. Foreign investment was actively discouraged through legal and bureaucratic requirements, imports were restricted and exports were largely dependent upon agricultural commodities and low grade manufactures. Since independence India had recorded the so-called “Hindu Rate” of economic growth averaging around 2-3 % per annum, which hardly exceeded population growth. Although economic growth increased somewhat during the 1980s, it was largely funded by unsustainable external borrowing not adequately matched by growth in exports. Despite periodic attempts at reform during the 1980s, the essentials of the Nehruvian economic system were largely untouched.<sup>2</sup>

India’s basic strategic stance had also been established in the years following independence. This involved formal nonalignment with either of the Cold War blocs and claims to moral leadership of the developing world. This stance was modified by Indira Gandhi in the 1960s when India pursued a somewhat more realist approach and entered into a *de facto* security partnership with the Soviet Union, while retaining the rhetoric of nonalignment.<sup>3</sup> Among other things, the Soviet relationship provided India with a strategic counterweight to China and a veto in the UN Security Council on issues vital to India. India gained status from its leadership of the Non-Aligned Movement of developing states which provided a platform for rhetorical opposition to the United States and the West. Although during the 1980s there were moves by India to improve relations with the United States, the weight of Nehruvian ideology continued to dominate the Indian bureaucracy and political elite, significantly narrowing India’s strategic options and making cooperative strategic relationships between India and the United States and its allies difficult.

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<sup>2</sup> For a study of the Nehruvian economic system, see Bishnupad Singh, *India's economic policy in Nehruvian era* (Jaipur: ABD Publishers, 2010).

<sup>3</sup> Nehruvian strategic doctrine will be discussed further at section 2.2.1.



In 1990 and 1991 India experienced an unprecedented and virtually simultaneous series of crises that would ultimately overturn the Nehruvian system. The defeat of the Congress Party government in November 1989 and the assassination of the Congress leader, Rajiv Gandhi, in May 1991, appeared to mark the end of the Nehruvian political dynasty. Although a minority Congress government was elected in June 1991 under Prime Minister P.V.Narasimha Rao there was little expectation of strong leadership. At the same time, India suffered its greatest economic crisis since independence. During the 1980s the Indian government had been facing persistent and increasing budget deficits, and during the latter half of the 1980s India's sovereign foreign debt more than doubled. In 1990, India was then hit by a series of external economic shocks: the disintegration of the Eastern bloc economies led to a collapse in India's exports, while Iraq's invasion of Kuwait resulted in a doubling of oil prices. A surge in imports and collapse in exports led to a severe balance of payments crisis virtually exhausting India's foreign exchange reserves. In January 1991, the Indian government suffered the ignominy of sending 30 tonnes of its gold reserves to the Bank of England as collateral for further international loans. By May 1991, the Indian Finance Minister believed that, "the country was on the verge of bankruptcy."<sup>4</sup>

The political and economic crises were mirrored by a strategic crisis. The end of the Cold War and collapse of the Soviet Union in 1991 left India's strategic posture in shambles. Not only had India's superpower guarantor disappeared, but the end of the Cold War seemed to destroy the *raison d'être* of the Non-Aligned Movement that had provided India with a degree of international stature. When the bipolar world disappeared India's cherished policy of nonalignment had little meaning. For India, the collapse of the Soviet Union not only meant the loss of India's strategic guarantor against China, but also of important markets for Indian manufactured goods of

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<sup>4</sup> Baldev Raj Nayar, "Political Structure and India's Economic Reforms of the 1990s," *Pacific Affairs*, Vol.71, No.3. (Autumn, 1998), pp. 335-358 at p.345.

doubtful quality, a major source of economic aid and India's primary supplier of military equipment. By late 1991 India's strategic outlook seemed bleak. According to one commentator: "India's reach for great power status is in shambles. The keystone of Indian power and pretence in the 1980s, the Indo-Soviet link, is history.... India has no 'useful friends'"<sup>5</sup>

### **2.1.2 India's Post-Cold War Engagement with Asia**

Although the end of the Cold War left India strategically isolated, it also expanded India's strategic options. The removal of many of the Cold War tensions and ideological certainties has, over the last two decades, allowed India to engage with Asia in a way that was previously not possible. Over the same period India has demonstrated a determination to try to transcend its traditional strategic preoccupations in South Asia; a willingness to discard many of the old imperatives of nonalignment; and an overall ideological reorientation of the Indian elite towards the West. India's post-Cold War foreign policy has been characterised by an omnidirectional expansion of India's political, economic and strategic links with key stakeholders in Asia. India's regional initiatives in the immediate post-Cold War years were to a significant extent motivated by its domestic economic crisis and the need to expand trade and attract investment, particularly from East Asia. This section will provide an overview of India's foreign policy in Asia in the years following the Cold War, with particular emphasis on East Asia.<sup>6</sup>

One of India's key strategic aims over the last two decades has been to transcend its traditional preoccupations in South Asia, so as to allow India to better develop regional

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<sup>5</sup> Ross H. Munro, "The Loser: India in the Nineties," *National Interest*, No.33 (Summer 1993), pp.62-63.

<sup>6</sup> For some very different perspectives on India's post-Cold War foreign policy, see Mohan, *Crossing the Rubicon*; and Sikri, *Challenge and Strategy*.

relationships. The so-called “Gujral doctrine,” as enunciated by Indian Foreign Minister I.K.Gujral in 1996, has led India to be generally less demanding and more generous in its relations with its smaller South Asian neighbours. While India’s relations with Pakistan, its main protagonist in South Asia, have stabilised somewhat in recent years, Pakistan remains a major source of terrorist violence against India. The Afghan war has also provided Pakistan with significant leverage in its relationship with the United States in competition with India. Unless India can resolve Pakistan’s claims over Kashmir (something that appears unlikely), it seems that Pakistan will continue to be a thorn in India’s side for many years to come, constraining India’s ability to project power and influence beyond South Asia. Nevertheless, India has had some success in “de-hyphenating” itself from Pakistan in developing its regional relationships.

Over the last twenty years, India has also given increased focus to relationships with key states in West and Central Asia. The end of the Cold War and the 1991 Gulf War forced India to review its relationships in the Middle East, leading to closer economic and political links with major regional states such as Saudi Arabia and Turkey. Of particular significance is Israel, with which India has developed a close security relationship, particularly as a major supplier of defence technology.<sup>7</sup> India has also cautiously renewed its political relationship with Iran which is both a major energy supplier and an important regional counterweight to Pakistan.<sup>8</sup> Simultaneously, the Indian navy actively pursued relationships in the Persian Gulf, particularly with Oman and Qatar. In 2005, India sought to give greater coherence to its relationships in West Asia through the launch of a “Look West” policy, intended to act as a counterpoint to its “Look East” policy in East Asia. There are, however, some important limitations on India’s ability to expand its influence in West Asia. This includes the overwhelming

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<sup>7</sup> See generally, Krishan Gopal and Sarbjit Sharma, *India and Israel : towards strategic partnership* (New Delhi: Authorspress, 2007).

<sup>8</sup> Christine Fair, “India and Iran: New Delhi's Balancing Act,” *The Washington Quarterly*, Vol.30, No.3 (Summer 2007), pp.145-159.

military dominance of the United States in the Persian Gulf, which has sometimes left little room for major initiatives by India.<sup>9</sup> India's relationship with Iran is currently severely constrained by Iran's hostile relationship with the United States and its relationship with Israel is constrained by foreign and domestic political considerations.

At the same time, India has also been hesitantly developing relationships with the newly independent Central Asian states. Since 2003, the Indian air force has had an active role at the Farkhor Air Base in Tajikistan, which is intended to support of India's interests in Afghanistan. However, India's relations in Central Asia, at least in comparison with Russia and China, are likely to be limited by India's geographic access to the region, which makes trade, particularly trade in energy, difficult.<sup>10</sup>

However, India's engagement with East Asia has been the most important and successful part of India's regional strategy. As will be discussed in Parts 3 and 4, during the Cold War, India had shown relatively little strategic interest in East Asia. India eschewed the development of regional security relationships and saw its interests as largely limited to rhetorical efforts to minimise the intrusion of other major powers into the region. In 1992, the Rao government launched the "Look East Policy" which was designed to expand economic, political and security ties with East Asia. The policy initially had the expansion of economic links with Japan as a primary objective, reflecting Japan's position as a world economic power and Asia's major source of capital (then at its peak). Japan was seen by many in New Delhi as the first economic success story of Asia and the epitome of non-Western modernity, something to be

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<sup>9</sup> Mohan, "Is India an East Asian Power? Explaining New Delhi's Security Politics in the Western Pacific," p.5.

<sup>10</sup> P.Stobdan, "Central Asia and India's Security," *Strategic Analysis*, Vol.28, No.1 (2004), pp.54-83.

emulated by India.<sup>11</sup> In 1991 Japan had played a crucial role in averting India's economic crisis. At the request of India, the Japanese government had organised a rollover of short term Indian government debt to Japanese banks to avert an almost certain default on India's sovereign debt.<sup>12</sup> The Japanese government then provided around US\$6 billion in additional loans to address the immediate crisis and significantly expanded ongoing ODA. However, as will be seen in chapter 4.3, attempts by India through the 1990s to encourage investment by Japanese business in India had little success. Japanese business saw India as too difficult and unwilling to reform the Indian business environment while Indian bureaucrats viewed Japanese reform proposals for India as "mainly pegged to their own interests."<sup>13</sup>

India had much greater success in developing links in Southeast Asia which during the 1990s became the primary focus of the Look East Policy.<sup>14</sup> India saw its inclusion in the regional political, economic and security groupings based in Southeast Asia as an important way of avoiding marginalisation in the post-Cold War international landscape. As will be seen in Part 3, India moved to improve bilateral security links with key Southeast Asian states and in the early 1990s identified Singapore as its key gateway into the region. India also sought to further develop links with its longstanding political ally Vietnam and more recently with Indonesia. These bilateral relationships have come to form the key points in India's Southeast Asian strategy. With the assistance of Singapore in particular, India's institutional links in Southeast Asia developed quickly, becoming a sectoral ASEAN dialogue partner in 1992 and a full ASEAN dialogue partner in December 1995. India also sought a security role in the

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<sup>11</sup> Christophe Jaffrelot, "India's Look East Policy: An Asianist Strategy in Perspective," *India Review*, Vol.2 No.2, pp.35-68, p.55.

<sup>12</sup> Arjun Asrani, "India-Japan Relations in the 21st Century" in Rajaram Panda and Kazuo Ando (eds.), *India and Japan: Indian Intellectual Perspectives* (New Delhi: The Japan Foundation, 1998) at p.25.

<sup>13</sup> Dixit, *My South Block Years*, p255.

<sup>14</sup> Jaffrelot, "India's Look East Policy," p.47.

region, with Indian Prime Minister P.V.Narasimha Rao declaring in 1994 that: “India would like to be part of the evolving security framework in the region to assuage doubts about arising from its potential military might as to contribute to the security edifice that was being crafted by the Asia-Pacific powers.” (sic.)<sup>15</sup> India joined the ARF in 1996.

In the late 1990s, India signalled a broadening of its Look East policy. As Indian Foreign Minister Jaswant Singh described it, “our Look East policy will be integrated into a larger regionalization strategy which encompasses... the Asia Pacific.”<sup>16</sup> The so-called “Phase 2” of the Look East policy involved a deepening of India’s relationships in Southeast Asia, including the entry into bilateral and multilateral free trade arrangements, expanding India’s focus to a broader region extending from Australia to Northeast Asia with ASEAN as its core, and pursuing a broader agenda involving security cooperation.<sup>17</sup> As E. Ahamed, the junior Indian Foreign Minister, commented: “the Look East policy is not merely an external economic policy, but a “strategic shift in India’s vision.””<sup>18</sup> India’s institutional relationships in East Asia continued to develop in the early years of this century. India was granted the first “ASEAN plus One” summit with ASEAN, first held in November 2002 after India was refused entry to the ASEAN + 3 grouping. India acceded to ASEAN’s Treaty of Amity and Cooperation in 2003, participated in the first East Asian Summit in December 2005 and joined the Asia-Europe Meeting in 2008. As ASEAN Secretary General, Yong Ong, commented,

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<sup>15</sup> Sridharan, *The ASEAN Region in India’s Foreign Policy*, p.178.

<sup>16</sup> Jaswant Singh, “Statement by Deputy Chairman Planning Commission of India Jaswant Singh on the Occasion of the ASEAN 31st Post Ministerial Conference (ASEAN+9) Plenary Session” 28 July 1998. See <[aseansec.org/3944](http://aseansec.org/3944)>.

<sup>17</sup> C.Raja Mohan, “Look East policy: phase two” *The Hindu*, 9 October 2003.

<sup>18</sup> E.Ahamed, “Reinforcing “Look East” Policy,” 16 January 2006. <[http://pib.nic.in/release/rel\\_print\\_page1.asp?relid=14984](http://pib.nic.in/release/rel_print_page1.asp?relid=14984)>

“...India will play an important role in maintaining the peace, stability and prosperity of the region... and security of Southeast Asia.”<sup>19</sup>

Despite the broader focus given to India's relationships, the economic integration of India with East Asia remains a key driver of India's engagement with the region. In August 2009, India signed a multilateral ASEAN-India Free Trade Agreement which will substantially reduce tariffs on most manufactured items with the exception of important sectors such as textiles, chemicals, automobiles and steel. The deal will be largely confined to manufactured goods, allowing India to continue to protect agriculture, while ASEAN states will continue to protect their services sectors. In recent years India has also pushed for a non-exclusive “Asian Economic Community” which would bring together Japan, ASEAN, China, India and South Korea. However, the Indian proposal is in direct competition with other proposals supported by China for an East Asian economic community that exclude India.<sup>20</sup> These competing proposals were the subject of controversy at the East Asian Summit in December 2005. Although the Summit agreed to the admittance of India (as well as Australia and New Zealand) to any proposed regional economic grouping, India, Australia and New Zealand were effectively relegated to second class status. The Summit resolved that ASEAN would be in the “driving seat” of the process for an East Asian Community, and Malaysian Prime Minister Abdullah Badawi announced that ASEAN +3 would be “a vehicle” for realising it. Despite this manoeuvring, the prospects for any region-wide economic grouping seems unlikely for some years to come.

Although there has been significant progress in developing India's institutional links with East Asia, in many ways India is still an outsider to East Asian multilateral

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<sup>19</sup> Yong Ong, “Advancing the ASEAN-India Partnership in the New Millenium” Address in New Delhi, 18 October 2004

<sup>20</sup> Mohan Malik, “China's Strategy of Containing India” *Power and Interest News Report*, February 6, 2006, <[http://www.pinr.com/report.php?ac=view\\_report&report\\_id=434](http://www.pinr.com/report.php?ac=view_report&report_id=434)>.

groupings. Perceptions of a second-ranking status in the East Asian Summit still rankle. India is not a member of ASEAN + 3 or APEC and it remains uncertain whether it will be allowed to join APEC when its membership is next considered. Despite comments by Prime Minister Vajpayee in 2002 that: “India’s belonging to the Asia-Pacific community is a geographical fact and a political reality. It does not require formal membership of any regional organisation for its recognition and sustenance,”<sup>21</sup> it is clear that India, as a late starter in the process of economic and political engagement with the region, has not approached the depth of the relationships that others such as China has with most ASEAN states.

Although some ASEAN states (in particular, Singapore) have welcomed an increased security role for India in the region, others have been more cautious, though not unwelcoming. India is generally seen as a benign security presence, however concerns remain about the potential for strategic rivalry between India and China and there are real questions about India’s ability to act as a regional security provider, particularly if it is unable to create a stable security environment in South Asia. As one commentator put it: “More than any power projection capabilities, ASEAN’s main expectation vis-à-vis India in terms of security would be its capacity to ensure the stability of the subcontinent itself... India’s aspirations to a political role in Southeast Asia would certainly be more credible if it was able to settle its dispute with Pakistan.”<sup>22</sup>

In the two decades following the end of the Cold War, India has also radically recast its relations with the key major powers of East Asia during the Cold War - China, Russia and the United States. The loss of Soviet strategic guarantees following the collapse of the Soviet Union forced India to partially recast its relationship with China, leading to

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<sup>21</sup> Atal Vajpayee, *India’s Perspective on ASEAN and the Asia-Pacific region* (Speech to Institute of Southeast Asian Studies, Singapore, 9 April 2002)

<sup>22</sup> Frederick Grare, “In Search of a Role: India and the ASEAN Regional Forum” in Grare and Mattoo, *India and ASEAN*, pp.119-145 at p.136.



important improvements in certain dimensions of the relationship and opening the way for major increases in bilateral trade. However, as will be discussed in chapter 2.4, relations with China remain uneven at best and new areas of strategic rivalry have developed, including in relation to energy, the Indian Ocean and Southeast Asia. Since the late 1990s, India has also sought to partially renew its relationship with Russia, a country which continues to have significant emotional resonance in parts of India's security community. Russia continues to be India's largest supplier of defence technology, representing some 80% of arms imports to India in 2008, a role which is likely to continue for some time.<sup>23</sup> While Russia continues to be an important strategic partner for India, it is no longer a major factor in India's strategic relationships in East Asia.

### **2.1.3 The role of the United States in India's emergence**

The other important change has been in India's relations with the United States. The end of the Cold War facilitated India's strategic engagement with the United States. This has in many ways underpinned India's emergence as a major power.<sup>24</sup>

For most of the Cold War India's relationship with the United States was distant and often strained.<sup>25</sup> India refused to accept a predominant role for the United States in the international system, and the United States would not cede to India predominance

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<sup>23</sup> Stockholm International Peace Research Institute. <[http://armstrade.sipri.org/armstrade/html/export\\_values.php](http://armstrade.sipri.org/armstrade/html/export_values.php)>

<sup>24</sup> For discussion of this relationship see generally, Ashley Tellis, *India as a New Global Power: An Action Agenda for the United States* (Washington D.C., Carnegie Endowment for World Peace, 2005); and Ganguly *et al*, *US-Indian strategic cooperation into the 21st century*.

<sup>25</sup> For accounts of the India U.S. relationship during the Cold War, see: H.W.Brands, *India and the United States: the Cold Peace* (Boston: Twayne Publishers, 1990); and Dennis Klux, *India and the United States: Estranged Democracies, 1941 – 1991* (Washington D.C.: National Defence University Press, 1992).

in South Asia. India's strategic partnership with the Soviet Union from the late 1960s only served to further estrange the United States, giving rise to a view in Washington of India as a Soviet "fellow traveller." Although relations steadily improved during the latter years of the Cold War, particularly following the Soviet intervention in Afghanistan, only the end of the Cold War removed the political and psychological obstacles that prevented improvements in the strategic relationship.

Economic relations, which had been severely constrained by the closed nature of the Indian economy during the Cold War, surged with the liberalisation of the Indian economy in the early 1990s. The United States played a major role in providing assistance during the Indian economic crisis in 1991 and US investment has been a significant factor in the development of the Indian economy since then. Growth of the relationship has been assisted by the large Indian ethnic community in the United States, numbering almost 2 million, which also forms a natural political base for India in the United States. The United States is now India's largest trading and investment partner.

The political relationship between India and the United States also improved during the 1990s, although it was limited by continuing US hopes that India would give up its ambitions to become a nuclear weapons state. India's 1998 nuclear tests caused a major rupture in the relationship when the United States and its regional allies imposed punitive economic sanctions on India. However, this development also removed a psychological obstacle to US acceptance of India's emergence as a major power and led to intensified and sustained political engagement between the United States and India.<sup>26</sup> The rupture in the relationship following the nuclear tests turned out to be short-lived. India continued to pursue the relationship, with Prime Minister Vajpayee calling India and the United States "natural allies" whose relations

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<sup>26</sup> See generally, Strobe Talbott, *Engaging India: Diplomacy, Democracy and the Bomb* (Washington D.C., Brookings Institution, 2004).

"constitute the key element in the architecture of tomorrow's democratised world order."<sup>27</sup> The United States reciprocated, demonstrating its credentials as a useful diplomatic partner during the 1999 Kargil crisis when the United States supported New Delhi and pressured Pakistan to withdraw its insurgents from beyond the Line of Control in Kashmir. This act went a long way to dispelling a decades-long view that the United States would always support Pakistan over Kashmir.<sup>28</sup> India was able to return the gesture following 9/11, when it offered its "unconditional and unambivalent support" to the United States,<sup>29</sup> offering Indian military facilities in support of the Afghanistan campaign and participating in Operation *Enduring Freedom* by providing naval escorts for US shipping through the Malacca Strait.

The engagement accelerated under the Bush administration which saw benefits in developing India as a partial balance to the rising power of China, which was now characterised as a "strategic competitor." The relationship was given particular impetus with the appointment of Condoleezza Rice as US secretary of state in 2005. Washington decided to facilitate India's emergence as a great power rather than hinder it and to make every effort to tell India of its importance.<sup>30</sup> In December 2004, Ashley Tellis revealed that the US Central Intelligence Agency had called India the most important "swing state" in the international system.<sup>31</sup> In March 2005, the Bush administration announced that it would "help India become a major world power in the 21st century," adding that "We understand fully the implications, including the

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<sup>27</sup> K.P. Nayar, "Vajpayee describes India and US as natural allies," *The Telegraph*, 29 September 1998.

<sup>28</sup> Mohan, *Crossing the Rubicon*, p.100.

<sup>29</sup> *Washington Post*, 17 September 2001.

<sup>30</sup> Later referred to by a Secretary of the Indian Foreign Ministry as a "free ego massage." See Sikri, *Challenge and Strategy*, p.187.

<sup>31</sup> Ashley Tellis, "Assessing America's War on Terror: Confronting Insurgency, Cementing Primacy," *NBR Analysis*, Vol.15, No.4 (2004).

military implications, of that statement.”<sup>32</sup> Condoleezza Rice portrayed India as “a rising global power that can be a pillar of stability in a rapidly changing Asia.”<sup>33</sup> As a senior US official in New Delhi put it: “India as a global power is in an early, formative phase. The United States’ job for the next 5 to 10 years is to promote, assist and shape that process.”<sup>34</sup>

The Bush administration was relatively open about placing its relationship with India in the context of China’s rising power. Condoleezza Rice’s comments on this are worth quoting at length:

*“I really do believe that the US-Japan relationship, the US-South Korean relationship, the US-Indian relationship, all are important in creating an environment in which China is more likely to play a positive role than a negative role. These alliances are not against China; they are alliances that are devoted to a stable security and political and economic and, indeed, values-based relationships that put China in the context of those relationships, and a different path to development than if China were simply untethered, simply operating without that strategic context.”<sup>35</sup>*

The Bush administration approached the relationship with an uncharacteristic degree of sensitivity, particularly towards India’s ambitions towards strategic autonomy. While encouraging India to develop strategic perceptions closer to those of the United

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<sup>32</sup> Office of Spokesman, U.S. Department of State, “Background Briefing by Administration Officials on U.S.-South Asia Relations” Washington D.C., 25 March 2005.

<sup>33</sup> Condoleezza Rice, “US-India Civil Nuclear Cooperation Agreement: Opening Remarks Before House International Relations Committee,” 5 April 2006.

<sup>34</sup> Quoted in Daniel Twining, “America’s Grand Design in Asia,” *The Washington Quarterly*, Vol.30 No.3 (2007), pp.79-94.

<sup>35</sup> Condoleezza Rice, Speech at Sophia University, 19 March 2005.

States, Washington did not, in general, expect public support from New Delhi in international fora in the manner of the diplomatic support expected from US allies.

The Indo-US civilian nuclear agreement (known as the “123 agreement”), reached in July 2007 although not signed until October 2008, represents the centrepiece of the strategic relationship, in which the United States effectively recognised India as a *de facto* nuclear weapons state and allowed India access to civil nuclear and other sophisticated technology from the United States.<sup>36</sup> The Indian government faced significant opposition to the agreement, largely derived from fears that India was being lured into a US strategic “web.” Although a reprocessing agreement was finalised in March 2010, full implementation of the 123 agreement is yet to occur.

The US-India strategic relationship has a heavy focus on military-to- military cooperation, particularly naval cooperation. The US focus has been on assisting in a build-up of India’s conventional naval and air force capabilities to complement the US naval and air force presence in the Indian Ocean. The US Navy, through its Hawaii-based Pacific Command (USPACOM), took the lead in engaging with the Indian military in the early 1990s, after which “Executive Steering Groups” were established to coordinate cooperation between each of the Indian and US armed services. A 1995 defence agreement was renewed and expanded in 2005 providing for intelligence sharing and training, technology transfers and missile defence cooperation. Strategic dialogue has been institutionalised through the Defence Policy Group, a consultative mechanism jointly chaired by the US Secretary of State for Defense for Policy and the Indian Defence Secretary. This sits over the Executive Steering Groups for military to

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<sup>36</sup> For a discussion of the 123 agreement, see K. Alan Krondstadt, “India-US Relations,” Congressional Research Service Report RL33529, August 12, 2008.

military dialogue and a Defence Procurement and Production Group.<sup>37</sup> India has now also posted a liaison officer to USPACOM headquarters in Hawaii – a position only previously offered to Japan, South Korea and Australia. USPACOM retains a leading role in the India relationship, reflecting both the emphasis on maritime security in the relationship and a desire to reduce operational frictions arising from US military support for Pakistan, which falls within the ambit of USCENTCOM.

Following USPACOM's overtures in 1991, the United States and India began conducting joint military exercises in 1992, which have since increased significantly in frequency, scope and scale. Since 2000, there have been frequent exercises between the Indian and US armed services, often multiple times per year.<sup>38</sup> The major annual naval "Malabar" exercises have particularly increased in scale and complexity, including the controversial 2007 Malabar exercise in the Bay of Bengal which involved three carrier battle groups and other ships from India, the United States, Japan, Australia and Singapore. The central role of naval cooperation in the relationship was formalised in the 2006 Framework for Maritime Security Cooperation which among other things commits India and the United States to "comprehensive cooperation in ensuring a secure maritime domain." The United States has also proposed a Logistics Support Agreement that would facilitate increased use of shared logistical services, although as of early 2010 this has not yet been signed due to domestic opposition in India. As will be discussed in chapter 2.3, the United States now envisages that India will play a leading role as a maritime security provider in the Indian Ocean region and the United States has called for India to coordinate its maritime strategy with the United States in Southeast Asia and as far as the Taiwan straits.

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<sup>37</sup> See generally, V.P.Malik, "Indo-US Defense and Military Relations: From "estrangement" to "strategic partnership"" in Sumit Ganguly, Brian Shoup and Andrew Scobell (eds), *US-Indian Strategic Cooperation into the 21st Century* (London: Routledge, 2006), pp.82-112.

<sup>38</sup> For details, see Malik, "Indo-US Defense and Military Relations."

Defence trade is one of the least developed aspects of the relationship, largely due to bureaucratic and legal hurdles. Some have claimed that for India unfettered access to US defence technology has now become the litmus test of the strategic partnership.<sup>39</sup> Progress in this area has been slow, reflecting both US legal hurdles and the ponderous nature of the Indian defence acquisitions process. A crucial End-User Agreement was signed in 2009, while in early 2010 other agreements required under US domestic law for the transfer of sensitive defence technology were still being finalised. The United States has the objectives of both improving India's power projection capabilities, particularly in the maritime sphere, and supplanting Russia as India's primary defence supplier, something that is likely to take many years. Only a few acquisitions of significant size have been finalised to date, including the sale of the *USS Trenton* (a 16,000 tonne amphibious landing ship), 6 Hercules C130J aircraft (for use by special forces) and 24 Harpoon Block II missiles.<sup>40</sup> However, some very large acquisitions are in process or have been proposed. The US has approved the sale of 8 P-8 long range maritime surveillance aircraft for US\$2.2 billion and in January 2010 reportedly offered a naval version of F-35 aircraft to the Indian navy.<sup>41</sup>

Some have argued that while the United States and India have succeeded in putting in place a strong bilateral relationship they have not yet transformed it into a global partnership. The United States and India continue to hold different views on what it means to be strategic partners and about China. While the Obama administration has continued the development of the partnership under the slogan "U.S.-India 3.0," it is generally seen as somewhat less sympathetic towards India and less China-centric in

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<sup>39</sup> Brian Shoup and Sumit Ganguly, "Introduction," in Ganguly *et al*, *US-Indian Strategic Cooperation into the 21st Century*.

<sup>40</sup> There were also reportedly serious discussions over the transfer of the *USS Kitty Hawk*, a 80,000 tonne aircraft carrier. "Will the USS Kitty Hawk cement U.S.-India military ties?," *UPI Asia.com*, 28 November 2007

<sup>41</sup> "US offers F-35 for Indian Navy," *Indian Military*, 13 January 2010.

its relationship with India than was the Bush administration. The United States also toned down its references to India in the 2010 Quadrennial Defense Review. In contrast with the QDR 2006 where India was called an “emerging strategic partner,” the QDR 2010 instead merely commented that, “As its military capabilities grow, India will contribute to Asia as a net provider of security in the Indian Ocean and beyond.”<sup>42</sup> Although some have attributed the change to sensitivity towards Pakistan,<sup>43</sup> it could be taken as another indication of the reduced emphasis on the India relationship by the United States. In coming years, it appears that the United States will continue to build security links (including the defence trade relationship) and support India in regional institutions, while allowing economic aspect of the relationship to grow and encouraging India to continue to develop as a constructive partner in international affairs.

Despite improvements in the relationship, there are several potential sources of friction. The relationship continues to be controversial in India, particularly with those of a leftist or a Nehruvian strategic perspective who regard Indian relations with the United States in zero sum terms, essentially seeing cooperation with the United States as co-option or coercion.<sup>44</sup> Pakistan also remains a significant issue, although one that both sides have successfully managed to date. The revival of US military support to Pakistan in the wake of 9/11 and the Afghanistan war has been treated with a degree of understanding that would not have been imaginable in previous years. Some believe that in coming years mutual relationships in West Asia, particularly with Iran and Saudi Arabia are likely to be a significant source of friction. However, the most

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<sup>42</sup> United States Department of Defence, *Quadrennial Defence Review Report, February 2006*, p.28; United States Department of Defence, *Quadrennial Defence Review Report, February 2010*, p.60.

<sup>43</sup> Anirudh Bhattacharyya, “India no longer strategic partner”, *Hindustani Times*, 5 February 2010.

<sup>44</sup> For a good example of this perspective, see the views of former Secretary of the Ministry of External Affairs, Sikri, *Challenge and Strategy*.



important source of concern is likely to be the extent to which the United States is perceived as allowing its relationship with China to trump its relationship with India in South Asia and the Indian Ocean region. Any suggestion that the United States recognises a legitimate role for China in the security of South Asia is particularly infuriating to New Delhi. In November 2009 a joint US-China statement calling on China “to promote peace, stability and development” in South Asia, led Prime Minister Singh to “emphatically reiterate” to Washington that China has no role in South Asia.<sup>45</sup> Some believe that in coming years the United States can be expected to actively play India and China off against each other.<sup>46</sup> As will be seen in chapter 2.3, the United States may see Sino-Indian rivalry in the Indian Ocean region as not being contrary to its interests and may, in some cases, even seek to promote such rivalry.

#### **2.1.4 India as an emerging great power**

In order to understand India’s strategic ambitions in the region one must also understand both India’s capabilities to project power and its self-perceptions as an emerging “great power.”

Strategic analysts have long predicted the emergence of India as a major power, at first hesitantly characterising India as a potential major power in Asia and more recently predicting that India will become a world power over the coming decades.<sup>47</sup> Indian elites have also long believed that India is destined to become a “great” state of global significance, and it is now relatively commonplace for India’s leaders to talk of India’s

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<sup>45</sup> Smita Prakash “India to tell US no role for China in South Asia” *Hindustan Times*, 22 November 2009.

<sup>46</sup> Tellis, “China and India in Asia.”

<sup>47</sup> See, for example, Stephen P. Cohen and Richard L. Park, *India: emergent power?* (New York: Crane, Russak, 1978); Babbage and Gordon, *India's strategic future*; Cohen, *India: Emerging Power*; Nayar and Paul, *India in the World Order*; and Kapur, *India, from regional to world power*.

“destiny” as a great power.<sup>48</sup> As Cohen comments: “unlike the people of other middle powers such as Indonesia, Brazil and Nigeria, Indians believe that their country has both the destiny and an obligation to play a large role on the international stage.”<sup>49</sup> This reflects a view that as one of the world’s largest and most enduring civilisational entities India is not only destined to have an international leadership role but also has a moral obligation to do so. Some see this combination of destiny and obligation as a legacy of India’s nationalist independence movement, as later articulated by Nehru.<sup>50</sup> Others link it with Hindutva views on the superiority of Hindu civilisation.<sup>51</sup> At the same time there has been much debate about the nature of India’s “greatness.” George Tanham writing in the early 1990s contrasted those of the Indian elite who wanted India to become a great power in conventional terms with those who would prefer India to be a spiritual or moral leader of the world and those who merely wanted India to become an economic power.<sup>52</sup> During the post-Cold War period there has been less emphasis on spiritual or moral leadership and more emphasis on conventional great power status backed by economic power. Nevertheless, ideas of Indian exceptionalism remain strong. As Indian Foreign Minister Yashwant Sinha comments in relation to India’s emergence as a major power:

*“It is important therefore that India distances itself from the conventional idea of power, as the ability of a nation to bend other nations to its will through coercive use of force. It is also essential to make clear at the very outset that*

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<sup>48</sup> See for example, comments by Prime Minister Manmohan Singh in “Want dialogue? Then contain terror, PM tells Gilani,” *Thaindian News*, 16 July 2009.

<sup>49</sup> Stephen Cohen, “India Rising” *Wilson Quarterly*, Summer 2000.<[http://www.brookings.edu/articles/2000/summer\\_india\\_cohen.aspx](http://www.brookings.edu/articles/2000/summer_india_cohen.aspx)>.

<sup>50</sup> Nayar and Paul, *India in the World Order*, p.252.

<sup>51</sup> Kanti Bajpai, “Indian conceptions of order/justice in international relations: Nehruvian, Gandhian, Hindutva and Neo-Liberal,” in V.R. Mehta and Thomas Pantham (eds.), *Political ideas in modern India: thematic explorations* (New Delhi: Sage, 2006), pp.367-392.

<sup>52</sup> Tanham, *Indian strategic thought*.

*India approaches the notion of power with an alternate vision and a deep consciousness of responsibilities. There can be no other way for India.”<sup>53</sup>*

Many have argued that India’s foreign policy behaviour since independence has been driven by a desire to achieve major power status - although India has had varying degrees of success in that aim. As Cohen puts it: “Despite foreign policy failures and much debate over tactics, the Indian elite holds fast to a vision of national greatness...”<sup>54</sup> However, only since the 1990s has there been broad international recognition of India as an emerging major power in Asia with an important role in the regional balance of power. As discussed above, over the last several years the United States has publicly recognised and acknowledged India’s potential as a “major world power in the 21st century” as part of its efforts to build a strategic partnership. Many believe that India will achieve great power status (at least within Asia) within the next two or three decades primarily driven by its size and sustained economic growth.

### ***An assessment of India’s characteristics as a great power***

There is some debate among strategists as to what characterises a “great” power. Some argue that a great power must hold certain “hard power” resources: military, economic, technological and demographic, as well as so-called “soft power” resources. Hedley Bull also emphasised the importance of perceived *status*, commenting that in addition to objective characteristics, great powers must be:

*“recognised by others to have, and conceived by their leaders and peoples to have, certain rights and duties. Great powers, for example, assert the right, and are accorded the right, to play a part in determining issues that affect the peace*

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<sup>53</sup> Yashwant Sinha, “Geopolitics: What it takes to be a world power,” Speech in New Delhi, 12 March 2004.

<sup>54</sup> Cohen, *India: Emerging power*, p.51.

*and security of the international system as a whole. They accept the duty, and are thought by others to have the duty, of modifying the policies in light of the managerial responsibility they bear.”<sup>55</sup>*

This thesis will not seek to resolve the debate about the necessary characteristics of a great power, preferring to use the more amorphous term “major power” as an adequate description of India’s emerging status in Asia. However, a brief analysis of India’s capabilities against some key indicia commonly applied to “great powers” provides some useful pointers towards India’s “objective” ranking in the international system.<sup>56</sup>

The application of “objective” indicators to India provides a somewhat mixed result. As will be discussed below, in two key indicators of “hard power”, economic and military power, India might be regarded as being currently a middle power or more, with potential to become a great power over the coming decades. India is well endowed in some “hard” power factors: in terms of population, India is the second most populous state in the world (estimated at around 1.17 billion in 2009); and in terms of space, India is geographically one of the world’s largest countries (with around 3.3 million square kilometres).<sup>57</sup> However, in other hard power factors, such as political and social cohesion, infrastructure and education, India ranks poorly. Some claim that India also has advantage in “soft power” attributes - the ability of a state to get what it wants through attraction rather than coercion or payments. Nayar and Paul, for example, claim that India’s soft power indicators are high in some areas (e.g.

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<sup>55</sup> Hedley Bull, *The Anarchical Society: a study of order in world politics* (London: Macmillan, 1977), p.200.

<sup>56</sup> For more detailed analyses, see Sandy Gordon, *India’s Rise to Power in the Twentieth Century and Beyond* (London: Macmillan, 1995); and George Perkovich, “Is India a Major Power?” *The Washington Quarterly*, Vol.27, No.1 (Winter 2003-04), pp.129-144.

<sup>57</sup> CIA World Factbook (last updated 18 February 2010). <<https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>>

normative, cultural) and relatively weak in others (e.g. state power, strategy and diplomacy).<sup>58</sup> However, Nye, the leading exponent of soft power, believes that while India's soft power is expanding at this point India does not rank high on the indices of soft power possessed by other major powers.<sup>59</sup>

Economically, India is currently a middle-sized power. India is, in the aggregate, the 12th largest economy in world in exchange rate terms (US\$1.243 trillion on 2009 estimates) and 4th largest (after Japan) in purchasing power parity terms (US\$3.548 trillion on 2009 estimates). Nevertheless, India remains a poor country with per capita GDP in purchasing power parity terms of US\$3,100 on 2009 estimates, placing India far below any other country claiming to be a regional power. (By comparison, 2009 per capita GDP for Indonesia was approximately US\$4,000, China was US\$6,500; Russia was US\$15,200; Japan was US\$32,600; and for the United States was US\$46,400.<sup>60</sup>) Similarly India ranks 115 out of 162 countries on the UN Human Development Index (a composition of variables of life expectancy, literacy, school enrolment and GDP per capita).<sup>61</sup> Although the aggregate size of India's economy is relatively large, the low per capita GDP is a major constraint on India's ability to mobilise an economic surplus for the purposes of projecting power (e.g. its ability to purchase sophisticated foreign weaponry).

Nevertheless, India's economic power is expected to increase significantly in the coming decades. India's economic development has been remarkable since the early 1990s when the Indian government began liberalising the economy to a degree hardly less significant than the opening of the Chinese economy in the late 1970s. These

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<sup>58</sup> Nayar and Paul, *India in the World Order*, pp.57-63.

<sup>59</sup> Joseph S. Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004), pp.88-9.

<sup>60</sup> 2009 estimates, each at purchasing power parity. CIA World Factbook.

<sup>61</sup> CIA World Factbook.

reforms led to an acceleration in India's economic growth from 0.8% p.a. in 1991/92 to 7.4% p.a. in 2008.<sup>62</sup> PricewaterhouseCoopers has projected India's growth to average around 7.5% per annum in coming decades, predicting that in 2050, India's GDP will be around 58% of US GDP in US dollar terms and equivalent to the United States in purchasing power parity terms.<sup>63</sup> Goldman Sachs has predicted that India's GDP (in US dollar terms) will exceed the United States prior to 2050.<sup>64</sup>

In terms of military power, apart from its nuclear weapons capacity and the size of its military establishment, India might be ranked as a middle to major regional power. In 2008 India's military expenditure was the 10th largest in the world at US\$30 billion (below Italy and Saudi Arabia).<sup>65</sup> India has been a declared nuclear weapons state since 1998 and by 2007 had approximately 50-60 nuclear devices.<sup>66</sup> There are significant limitations in its long-range delivery capabilities (currently limited to aircraft and short-range ballistic missiles), meaning that while India has adequate capabilities to deploy nuclear devices against Pakistan, it cannot deploy nuclear devices against China's eastern cities. India's nuclear doctrine calls for the development of a triad of air, land and sea-based delivery capabilities. Supersonic cruise missile, and medium range ballistic missile and submarine launched ballistic missile delivery capabilities are currently being developed.

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<sup>62</sup> Ibid.

<sup>63</sup> John Hawksworth "The World In 2050: How big will the major emerging market economies get and how can the OECD compete?" PricewaterhouseCoopers, March 2006.<[www.pwc.com/en\\_GX/gx/world-2050/pdf/world2050emergingeconomies.pdf](http://www.pwc.com/en_GX/gx/world-2050/pdf/world2050emergingeconomies.pdf)>.

<sup>64</sup> Dominic Wilson and Anna Stupnytska, "The N11: More than an Acronym," Goldman Sachs Global Economics Paper No.153, 28 March 2007. <[www.chicagobooth.edu/alumni/clubs/pakistan/docs/next11dream-march%20'07-goldmansachs.pdf](http://www.chicagobooth.edu/alumni/clubs/pakistan/docs/next11dream-march%20'07-goldmansachs.pdf)>.

<sup>65</sup> "The Top 15 Military Spenders, 2008," Stockholm International Peace Research Institute.

<sup>66</sup> "India's Nuclear Forces, 2007" *Bulletin of Atomic Scientists*, Vol.63, No.4 (July/August 2007), pp.74-8.

India's military establishment is very large in size: with the world's second largest army (with around 1.1 million active regular personnel); the world's fourth largest air force (with around 850 combat aircraft); and the world's seventh largest navy (in terms of personnel). Although India has a huge standing army, much of it is deployed to deal with domestic insurgencies or in defensive roles along its western and northern borders. In addition, much of its equipment requires modernisation. There are significant limitations on India's force projection capabilities meaning that its ability to project power beyond South Asia is severely constrained. In summary, India's current conventional military capabilities do not anywhere match other major powers present in the region (United States, Japan or China).

India's rapid economic growth is also being translated into expanded military capability. India's military expenditure has increased significantly from Rs 196 billion (US\$11.2 billion) in 1991 to Rs 1,306 billion (US\$24.7 billion) in 2008, although as a percentage of GDP, military spending declined from around 3% to 2.5% over the same period.<sup>67</sup> With the projected growth in the Indian economy, Indian military spending is likely to increase significantly in future years and there is also claimed to be broad political support for an increase in military spending as a percentage of GDP.<sup>68</sup> Much of the increase in India's defence expenditure in recent years has been devoted to modernising army and air force capabilities and transforming the Indian navy into a blue water navy. As will be discussed in section 2.3.1, the navy's share of defence expenditure (and particularly of capital expenditure) has increased very significantly in recent years. Nevertheless, it will be more than a decade before the Indian naval

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<sup>67</sup> Excluding expenditure on nuclear weapons. US dollar figures are at constant 2005 exchange rates. Stockholm International Peace Research Institute. <<http://milexdata.sipri.org/result.php4>>.

<sup>68</sup> Harsh V. Pant, "India in the Indian Ocean: Growing Mismatch between Ambitions and Capabilities," *Pacific Affairs*, Vol.82, No.2 (Summer 2009), pp.279-297.

modernisation and expansion program has a significant impact on India's ability to project maritime power.

The application of these "objective" criteria suggest that India might be regarded as a major power in Asia and has the potential to become a "great" power" in coming decades, assuming that current economic growth is sustained. There also remains scepticism, to greater or lesser degrees, about the likelihood of India fulfilling its potential. Some analysts point, among other things, to India's major developmental challenges, flawed governance institutions, lack of strategic thinking and a long history of India's strategic ambitions exceeding its capabilities. Gordon, for example, concludes that although India has many attributes of a great Asian power, it is still constrained by its difficult regional circumstances, its incomplete economic reforms and its need to achieve balanced development.<sup>69</sup> Perkovich concludes that while India has just enough power to resist the influence of others, it must make great strides before it can attain significant power over other states.<sup>70</sup> Cohen, who has over decades argued the case for India's emergence as a great power, has recently reversed his predictions, commenting that India is less likely to emerge as a military great power than an economic great power – with an influence in the region perhaps equivalent to that of Japan. He believes, among other things, that the Indian political community is too domestically focussed and calls the Indian security community "hopelessly unstrategic."<sup>71</sup> As will be discussed in chapter 2.4, China has also long been publicly sceptical about India's great power aspirations, seeing India as weak and divided with unrealistic and unachievable 'big power dreams' (*daguomeng*).<sup>72</sup> Whether or not these

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<sup>69</sup> Sandy Gordon, *Widening Horizons: Australia's new relationship with India* (Canberra: Australian Strategic Policy Institute, 2007).

<sup>70</sup> Perkovich, "Is India a Major Power?"

<sup>71</sup> Nitin Pai and Aruna Urs "Look Before You Hop: A Discussion on strategic affairs with Stephen Cohen," *Pragati: The Indian National Interest Review*, No.15, June 2008, p.9.

<sup>72</sup> Andrew Scobell, "'Cult of Defense' and 'Big Power Dreams': The Influence of Strategic Culture on China's Relationship with India," in Malcolm R.Chambers (ed.), *South Asia in 2020:*



views are balanced by a greater level of private respect as some believe, they only serve to infuriate India.

Apart from these doubts about India's ability to fulfil its potential, there does seem to be a significant gap between what might be called India's strategic self-perceptions and its actual role in the international order. Nayar and Paul label India as a "status inconsistent" power – that is, there is a discrepancy between a state's perceived achievements and its ascribed status at an international level.<sup>73</sup> This perceived discrepancy is somewhat curious given that, as has been seen above, India is generally regarded as *currently* possessing only some great power capabilities (e.g. nuclear weapons, population), and having the *potential* to possess others (e.g. economic strength, military power projection capabilities). In other words, India perceives an entitlement to international status based on its *potential* rather than *actual* capabilities. As Selig Harrison put it, "Many Indians have what might be called a "post-dated self image." They are confident that India is on the way to great power status and want others to treat them as if they had, in fact, already arrived."<sup>74</sup>

Some commentators have argued that the actions of Western powers have had the unintended effect of propelling India to a status as a world power before India is itself ready for such a global role in terms of its internal development, institutional capabilities and strategic planning, and that India has not yet articulated a strategic vision of what its hopes to achieve with its emergent status.<sup>75</sup> While there may be

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*Future Strategic Balances and Alliances* (Carlisle: US Army War College, Strategic Studies Institute, 2002), pp.329-359.

<sup>73</sup> Nayar and Paul, *India in the World Order*, pp.1,25.

<sup>74</sup> Selig Harrison, "A Nuclear Bargain with India," paper presented at the conference "India at the Crossroads," Southern Methodist University, Dallas, Texas, 27 March 1998, quoted in Nayar and Paul, *India in the World Order*, p.77.

<sup>75</sup> Aseema Sinha and Jon P. Dorshner, "India: Rising power or mere revolution in rising expectations?" *Polity*, Vol.42, No.1 (January 2010), pp.74-99.

some truth in this, many would argue that there is nothing new in India's self-perceived status exceeding its capabilities. As one Indian analyst commented: "There exists a gulf between its desires and abilities and the consequences of an action are not always thought through seriously before making commitments."<sup>76</sup>

As will be seen in Parts 3 and 4, India's *perceived* status inconsistency (i.e. as perceived by New Delhi), whether or not justified by its current capabilities, is an important factor shaping its strategic ambitions in East Asia. Although East Asian states are to some extent willing to deal with India on the basis of its great power *potential*, the inconsistency between India's current capabilities and its ambitions will nevertheless limit India's strategic role in East Asia.

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<sup>76</sup> P.R.Kumaraswamy, "National Security: A Critique" in P.R.Kumaraswamy (ed.), *Security Beyond Survival: Essays for K.Subrahmanyam* (New Delhi: Sage Publications, 2004), pp.11-32.

## **Chapter 2.2 Developments in Indian strategic thinking and East Asia**

- 2.2.1 Nehruvian strategic doctrine and the post-Cold War revolution in Indian strategic thinking
- 2.2.2 India's quest for strategic autonomy and a multipolar order
- 2.2.3 Indian ideas on a new Asian balance of power
- 2.2.4 The ideological dimension: flirting with values-based alliances
- 2.2.5 India as a maritime power
- 2.2.6 An Indian sphere of influence?

### **Introduction**

This chapter will review key themes in the “mosaic” of Indian strategic thinking that underlies and informs India's strategic engagement in East Asia. The end of the Cold War led to major changes in Indian strategic thinking. The disappearance of alignments that underlay India's Cold War strategic posture led India to discard much of its nonaligned rhetoric and draw closer to Western strategic thought. Nevertheless, as will be seen, Indian strategic thinking remains very much a function of Indian culture, history and geographic position.

Indian strategic thinking about East Asia reveals a number of influences, including a desire to develop a multipolar regional system, to balance against China and the assertion of an extended Indian “sphere of influence.” As will be seen in Parts 3 and 4, India's key bilateral relationships in East Asia contain differing mixes of these motivations.

### **2.2.1 Nehruvian strategic doctrine and the post-Cold War revolution in Indian strategic thinking**

India's engagement with East Asia since the end of the Cold War has been accompanied by a revolution in Indian strategic thinking. Through much of the Cold War, Nehruvian strategic doctrine formed the intellectual foundation of Indian strategic analysis. At its core was the concept of nonalignment, which brought together several long-running strands of Indian strategic thought.<sup>1</sup> The key principles of nonalignment were nonviolence, international cooperation and the preservation of India's international freedom of action through refusing to align India with any Cold War bloc. Nonalignment represented an insistence that even relatively weak powers could choose to stay aloof from great power rivalries. Although Indian strategic practice was progressively modified towards a more realist stance following India's defeat at the hands of China in 1962 and India's strategic alignment with the Soviet Union in 1971, Nehruvian strategic principles remained an intellectual anchor to Indian strategic thinking and dominated Indian strategic rhetoric up until the end of the Cold War.

Nehruvian strategic doctrine inhibited India from playing a significant role in the security of East Asia until the early 1990s. Throughout much of the Cold War India saw its interests in East Asia as largely limited to rhetorical efforts to minimise the influence of other major powers in East Asia. As a result, India abdicated any leadership role that it could have had in Southeast Asia and only really sought to exert its influence in negative terms, such as its emphatic rejection of regional security

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<sup>1</sup> For studies on Nehruvian strategic doctrine, see Mannaraswamighala Sreeranga Rajan, *Studies on nonalignment and the nonaligned movement: theory and practice* (New Delhi: ABC Publishing House, 1986); and K. Subrahmanyam, *Indian security perspectives* (New Delhi: ABC, 1982).

relationships with the United States.<sup>2</sup> Although this position was progressively moderated under Indira Gandhi and successive Indian leaders, the basic temper of India's relationship with Southeast Asia continued until the early 1990s. Nehruvian strategic doctrine also contributed to a virtual absence of any strategic relationships between India and maritime Northeast Asia. Throughout most of the Cold War, Indian leaders viewed Japan, South Korea and Taiwan as little more than protectorates of the United States and therefore of little interest to India except, in the case of Japan, as a potential source of capital and technology.

The end of the Cold War forced India to re-examine the viability of the Nehruvian principles in guiding India's strategic stance. With the collapse of the Soviet Union the idea of nonalignment seemed to have lost its *raison d'être*. India's leaders were forced to fashion a new set of strategic goals based on a more pragmatic view of the world. India's strategic options included attempting to continue with the logic of nonalignment, joining the US alliance system or attempting to balance against the United States through joining with other second-tier powers. Alternatively, it could pursue a multipolar world in which it would establish itself as one of the major powers in the international system without recourse to any alliance. While the notion of a triangular security relationship among India, Russia and China was debated within the Indian strategic community during the 1990s, there was a realisation that there was little to gain from seeking to create a countervailing bloc against the United States. By the end of the 1990s, the dominant emphasis in Indian strategic thinking had settled on building a new partnership with the United States as part of a multidirectional engagement of the major powers.

Many believe that India's Pokhran II nuclear tests in 1998 became the fulcrum around which India's post Cold War strategic thinking turned. Before the tests, India's

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<sup>2</sup> For discussions of India's political relations in Southeast Asia during the Cold War see Ayoob, *India and Southeast Asia* and Sridharan, *The ASEAN Region in India's Foreign Policy*.

ambiguous nuclear status created significant obstacles to improving relations with the United States and its allies. Although the nuclear tests caused a storm of protest internationally, it led to a transformation of India's relationship with the United States and provided India with a new status in Asia. According to Mohan, after Pokhran II, India's self-perception as an emerging great power armed with nuclear weapons allowed it to negotiate with other powers without the sense of defensiveness that permeated earlier relationships. India's successful transition to a nuclear power also moved India's intellectual balance in favour of realists and pragmatists and effectively ended the long-standing dominance of Nehruvians and left-of-centre internationalists over the foreign policy discourse.<sup>3</sup>

There have been several attempts to characterise and define the various ideological schools in Indian strategic thinking as they have developed since the end of the Cold War. Bajpai identifies three paradigms of Indian strategic thinking: Nehruvianism, neoliberalism and hyper-realism, each characterised by differing attitudes towards internal security, regional security and relations with great powers and each of which are broadly associated with differing political ideologies.<sup>4</sup> Sagar proposes a categorisation between moralists (who uphold the Nehruvian tradition), Hindu nationalists (who advocate protecting national values through building strength), strategists (secularists who advocate developing strategic capabilities) and liberals (who emphasise attaining security through trade and interdependence).<sup>5</sup>

These categorisations provide a useful context for understanding the main ideological streams of Indian strategic thinking. However, in considering India's strategic

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<sup>3</sup> Mohan, *Crossing the Rubicon*, p.27.

<sup>4</sup> Kanti Bajpai, "Indian Strategic Culture" in Michael R. Chambers, *South Asia in 2020: Future Strategic Balances and Alliances* (Carlisle, PA: Strategic Studies Institute, 2002).

<sup>5</sup> Rahul Sagar, "State of mind: what kind of power will India become," *International Affairs* Vol.85, No.4 (2009), pp.801-816.

perceptions of East Asia such categorisations can quickly become sterile. Rather than attempting to identify a dominant or cohesive intellectual school of thought behind Indian strategic ambitions, it is in many ways more instructive to examine those ambitions in light of various underlying themes in Indian strategic thinking relevant to East Asia. One might see Indian strategic thinking in terms of a “mosaic” of many different threads and contrasting themes and influences which often cross ideological boundaries. This is partly a function of the immediate post-Cold War years, when Indian leadership allowed strategic policy to develop in a pragmatic way, generally avoiding a clear rejection of the past. As a result, it is arguable that India is unlikely to articulate a grand strategic theory including about East Asia. Having flirted disastrously with grand concepts in the past, India’s emphasis is on cautious *realpolitik*.<sup>6</sup> Tellis suggests that in the current strategic environment, India does not have the luxury of pursuing policies that are “utterly transparent or completely straightforward” and instead must develop the institutional and psychological capacity to move deftly.<sup>7</sup> However, ambiguity or a lack of transparency over India’s security objectives in East Asia has not prevented it from making significant steps towards engagement in the region.

Key themes in Indian strategic thinking relevant to its engagement with East Asia include its objectives of strategic autonomy and a multipolar order; concepts of an Asian balance of power; the ideological dimension; the development of a maritime strategic outlook; and ideas about an Indian sphere of influence. Each of these will be discussed in detail below.

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<sup>6</sup> C.Raja Mohan, “India’s Changing Strategic Profile in East and Southeast Asia,” paper presented at the Regional Outlook Forum, Singapore, 8 January 2008, p.12.

<sup>7</sup> Ashley J. Tellis, “India in Asian Geopolitics” in Prakash Nanda (ed.), *Rising India: Friends and Foes*, (New Delhi: Lancer, 2007) at p.129.

### 2.2.2 India's quest for strategic autonomy and a multipolar order

Throughout its modern history India has sought what has been called the “Holy Grail” of Indian security policy: strategic autonomy.<sup>8</sup> Since independence and before, many Indian leaders saw India's destiny as a great power, beholden to no-one, even if it lacked the resources to assert itself in traditional ways. The combination of a destined greatness and material weakness was a key reason for India pursuing its nonaligned policy, allowing India to claim strategic space and assert itself as an international leader. As has been discussed in chapter 2.1, India's destiny as a great power is now largely a given among Indian strategic thinkers and is virtually ubiquitous in strategic discussions; the only question being when the world will recognise India's emergence.

For many Indian strategists, strategic autonomy is the *sine qua non* of great power status. For some, particularly those influenced by Nehruvian traditions, it is an absolute imperative: any compromise of India's strategic autonomy will also compromise India's destiny. According to Nehruvians this not only forbids significant security cooperation with the United States and its regional allies but would also cast doubt on any security alignments outside the US alliance system. Others see the goal of strategic autonomy in less absolute or immediate terms, conceding that India's interests may be served in entering into security relationships with the United States and others provided that India retains significant freedom of action. Mohan for example argues that, “Alliance formation and balancing are tools in the kits of all great powers.”<sup>9</sup> Closely related to India's “destiny” as a great power and its quest for strategic autonomy is a desire for the development of a multipolar security order in the region and worldwide which, it is believed, is necessary to elevate India's status

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<sup>8</sup> Varun Sahni, “India and the Asian Security Architecture,” *Current History*, Vol.105 (690) (April 2006), pp.163-7.

<sup>9</sup> C.Raja Mohan, “India and the Balance of Power,” *Foreign Affairs*, Vol.85, Issue 4 (July/August 2006), p.17.



and maximise its freedom of action. To some extent calls for a multipolar world have replaced nonalignment as a core concept of Indian foreign policy.

India's twin goals of strategic autonomy and multipolarity have a profound impact on India's strategic engagement with East Asia. As will be seen below, in order to achieve a goal of regional multipolarity, India not only must cooperate with other major powers to balance against potential Chinese hegemony in East Asia, but arguably is also driven to establish its own maritime predominance in the Indian Ocean region. In pursuing those aims there are significant unresolved tensions between a desire for strategic autonomy and a perceived need to cooperate with the United States and its allies.

### **2.2.3. Indian ideas on an Asian balance of power**

To what extent is the development of India's strategic relationships in East Asia consciously driven by a strategy of forming a balancing coalition against China? India's potential role in an East Asian balance of power is an important theme in Indian strategic thinking. This might be expressed either in neorealist terms of creating a balancing coalition against China or in more classical realist terms of seeking to create a multipolar regional balance. Mohan claims that balancing China is in "the very DNA of India's geopolitics" and has been since the early 1950s.<sup>10</sup>

However, Indian thinking about an Asian balance of power is complicated by several factors. As discussed, Indian strategic thinking is still in the process of evolving from Nehruvian traditions in which discussions of a "balance of power" were frowned upon. Ideas of nonalignment still have resonance in Indian strategic debate, often with strong overtones of Indian exceptionalism. Sahni, for example, sees India as playing a

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<sup>10</sup> C.Raja Mohan, "The Evolution of Sino-Indian Relations: Implications for the United States," in Ayres and Mohan, *Power Realignments in Asia*, pp.270-290 at p.288.

new nonaligned role in the developing Asian strategic order. He believes that India is destined to be a fence-sitter in Asia, relatively equidistant and nonaligned between two poles of China and a US-led coalition, although making significant efforts to cultivate friendships with powers such as Russia and Japan.<sup>11</sup> In other words, India will *again* be able to transcend considerations of the balance of power, as Nehruvians claimed during the Cold War.

Others such as Mohan believe that while it has not entirely discarded a commitment to liberal internationalist notions over the last two decades, Indian political discourse has had to come to terms with realist concepts of the balance of power.<sup>12</sup> Certainly there is much more open discussion about a balance of power in Asia than was the case during the Cold War.<sup>13</sup> Although there is some official acknowledgement from Indian leaders of what Defence Minister Mukherjee called India's "crucial" role in maintaining a "stable balance of power"<sup>14</sup> or an "equitable strategic balance"<sup>15</sup> in Southeast Asia, at the same time there is considerable reluctance to acknowledge that any balancing might be aimed at China. New Delhi is acutely conscious of its limitations in East Asia and any implication that its relationships in East Asia are driven

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<sup>11</sup> Rajesh Rajagopalan and Varun Sahni, "India and the Great Powers: Strategic Imperatives, Normative Necessities," *South Asian Survey* Vol. 15 No.5 (2008), pp.5-32.

<sup>12</sup> C.Raja Mohan, "The Asian balance of power" *Seminar*, No.487 (2000).

<sup>13</sup> See, for example, Anindya Batabyal, "Balancing China in Asia: A Realist Assessment of India's Look East Strategy," *China Report* (New Delhi), Vol.42, No.2 (2006), pp.79-197; and Bharat Karnad, "India's Future Plans and Defence Requirements" in N.Sisodia and C.Udaya Bhaskar (eds), *Emerging India: Security and Foreign Policy Perspectives* (New Delhi: Institute for Defence Studies and Analysis, 2005), pp.61-76.

<sup>14</sup> Pranab Mukherjee, Address to the 5th IISS Asian Security Summit, 3 June 2006.

<sup>15</sup> Pranab Mukherjee, Address to the 7th Asian Security Conference, 29 January 2005.

by a desire to balance against China.<sup>16</sup> India wishes to expand its strategic weight in the region while avoiding creating open rivalry with China.<sup>17</sup>

In addition to concerns about reactions to an overt balancing strategy, there is considerable sensitivity within India as to how such a strategy would affect India's "Holy Grail" of strategic autonomy. In particular, to what extent would India need to ally itself with the United States and its regional allies in order to create an East Asian balance against China? Many in India see a significant risk that the United States will build India as a junior alliance partner to contain China and that India will be caught in a web of bilateral arrangements that meshes with the US "hub and spoke" alliance system.<sup>18</sup> Thus there was considerable caution in portions of the Indian security community towards the 2007 "Quadrilateral" proposal for a security dialogue involving the United States, Japan, Australia and India not only on the grounds of unnecessarily provoking China, but also about the implications of being perceived to be part of a US-led security grouping. According to Tellis, even if an anti-China coalition led by the United States were to eventuate in the future, New Delhi's intuitive preference would be to assert its strategic autonomy even more forcefully. Short of the most extreme threats, India would prefer to deal with Beijing independently.<sup>19</sup> India has thus emphasised the development of strategic relationships in East Asia on a bilateral basis

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<sup>16</sup> Devare, *India and Southeast Asia*, p.211.

<sup>17</sup> C.Raja Mohan, "India's Geopolitics and Southeast Asian Security" in Daljit Singh and Tin Maung Maung (eds.), *Southeast Asian Affairs 2008* (Singapore: Institute of Southeast Asian Studies, 2008) at p.53.

<sup>18</sup> Purnendra Jain, "From Condemnation to Strategic Partnership: Japan's Changing View of India (1998-2007)" and Brahma Chellaney and Horimoto Takenori, "'Indo kara mita Nihon, Ajia'" [Japan-India Links Critical for Asia-Pacific Security] *Gaiko Forum* Vol.7 No.2 (Fall 2007).

<sup>19</sup> Ashley J.Tellis, "The Changing Political-Military Environment: South Asia" in Zalmay Khalilzad *et al*, *The United States and Asia: Towards a New US Strategy and Force Posture* (Santa Monica: Rand Corporation, 2001) at p.214.

which is regarded as being less provocative to China and maximising India's freedom of action.

There is also a tendency among Indian strategic analysts of all stripes to see India as of significantly greater consequence to an East Asian balance of power than might be perceived in East Asia - where the focus is overwhelmingly on the United States, China and, to a lesser extent, Japan. Thus, a report from a US Central Intelligence Agency think tank calling India the most important "swing state" in the international system<sup>20</sup> is quoted widely and approvingly among Indian leaders and commentators, recognising as it does an apparently powerful international role for India.<sup>21</sup> In a similar vein, Mohan argues that India's objective is to become an *indispensable element* in the Asian balance of power.<sup>22</sup> To the extent that such a statement assumes that India is likely to become an important element in an Asian balance of power, it is unexceptional. However, to the extent that it might be taken to imply that India has the option not to oppose Chinese hegemony over East Asia, it overstates India's freedom of action. As will be seen, it is difficult to realistically conceive of India not seeking to balance against China in Asia. As this thesis will argue, India is in fact compelled by its own great power aspirations to seek to form (limited) balancing relationships with the United States and its allies in relation to China.

Spurred by dreams of strategic autonomy and a multipolar region, some Indian commentators have gone so far as to propose that India should develop an Indian-centred "constellation" of Asian states linked by strategic cooperation and sharing

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<sup>20</sup> Quoted in Ashley Tellis, *India as a New Global Power: An Action Agenda for the United States* (Washington D.C.: Carnegie Endowment for World Peace, 2005)

<sup>21</sup> See, for example, Siddharth Varadarajan, "Bush, India and two degrees of separation," *The Hindu*, 3 March 2006; Amit Gupta, "US-India-China: Assessing Tripolarity," *China Report* (New Delhi), Vol.42, No.1, (2006), pp. 69-83; Mohan, "India and the Balance of Power," p.17; and Sikri, *Challenge and Strategy*.

<sup>22</sup> C.Raja Mohan, "India, China and Asian Security," *The Hindu*, January 27, 2003.

common interests, including in counterbalancing China. Chellaney, for example, sees the India - Japan relationship as forming the potential foundation of overlapping security relationships in Asia. The relationship would provide India with a link into the US security sphere, forming the foundation or axis of a quadrilateral relationship including the United States and Australia. However, India would also develop a series of balancing relationships that go beyond the US security sphere, including, for example, an India-Japan-Russian trilateral relationship which, according to Chellaney, is the way to get a “true counterbalance to China” because it “would effectively contain China on all sides.”<sup>23</sup> India’s security relationship with Vietnam is also widely viewed in the Indian security community in approving terms, partly at least, because Vietnam lies outside the US security sphere.

Despite these dreams there is a widespread understanding in the Indian security community that a relationship of some type with United States is a necessary or desirable feature of Indian security, if only as a step towards other strategic objectives. Some believe that India’s challenge will be to form part of an informal balancing coalition against China with the US and its allies while avoiding becoming part of a US-led web of relationships. Bajpai, for example, characterises Indian policy since the end of the Cold War as essentially bandwagoning with the United States, while also hedging in the sense of developing coalitions with first, second and third tier states that would assist it in standing up to the United States.<sup>24</sup> Others see the possibility of India occupying a middle ground of partial attachment to the United States while retaining significant strategic autonomy. Mohan endorses the idea that India can navigate between the “two extremes” of an uncritical US alliance and what he calls the “slogans” of a multipolar world. A somewhat more ambiguous outcome of this nature is likely to be both more realistic and fit better with India’s strategic tradition and

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<sup>23</sup> Chellaney, “Indo kara mita Nihon, Ajia.”

<sup>24</sup> Kanti Bajpai, “India: Modified Structuralism,” in Muthiah Alagappa (ed.), *Asian Security Practice: Material and Ideational Influences* (Stanford: Stanford University Press, 1998).

domestic political imperatives. This ambiguity can be used to India's advantage, for example, in allowing India to be cast within East Asia as a potential benign balancer not only against a potentially threatening China but also (if perhaps only symbolically) against potentially overwhelming US power.

#### **2.2.4. The ideological dimension: flirting with values-based alliances**

To what extent does India's strategic behaviour in East Asia involve an ideological dimension? A notable feature of Nehruvian strategic doctrine was that India rarely allowed domestic political affairs of other states to be a significant factor in India's foreign policy decision-making. To the extent that India's foreign policy had an ideological dimension it often involved an alliance with communist or authoritarian states in opposing the supposed imperialism of the West. However, in recent years Indian leaders have begun to make considerable use of the rhetoric of "shared democratic values" as justification for cooperation with Japan and other US allies in the region, to the exclusion of China. Prime Minister Manmohan Singh has called liberal democracy "the natural order of social and political organisation,"<sup>25</sup> describing India and Japan, the largest and most developed democracies in Asia, as being "natural partners."<sup>26</sup> Such statements are consistent with efforts by the United States and Japan to use shared democratic values as an ideological foundation for strategic relationships with India.

Some Indian commentators have suggested that shared political values represent a "secret weapon" against China on the basis that China has much more to fear from the

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<sup>25</sup> Manmohan Singh, "PM's Speech at India Today Conclave" 25 February 2005, New Delhi. <[www.pmindia.nic.in/speech/content.asp?id=510](http://www.pmindia.nic.in/speech/content.asp?id=510)>.

<sup>26</sup> Joint Statement of Prime Minister Singh and Prime Minister Abe, 16 December 2006.

ideological subversion of democracy than in military terms,<sup>27</sup> while others have invoked the theory of “Democratic Peace” to justify India forming alliances with other regional democracies.<sup>28</sup> The significance of alliances among democratic states is a matter of some theoretical debate. It has little support from the so-called theory of “Democratic Peace” which proposes that democratic states never (or rarely) go to war with each other, but not the idea that democracies will or should become alliance partners against non-democracies. Some theorists nevertheless suggest that members of ideological-based alliances may have similarities in threat perceptions,<sup>29</sup> and that alliances between democracies are both deeper and longer lasting than alliances with non-democracies.<sup>30</sup> It has also been argued that as a great power matures, it will increasingly seek to shape its region and the international order in ways that reflect its values and identity.<sup>31</sup> According to this argument, as a great power, India might eventually seek to impose its own values on Asia despite its avowed policy of not exporting ideology.

However, for the moment, ideology plays only a very minor part in India’s strategic engagement in East Asia, either as a motivation or as a tool of “soft power.” Democratic values form part of a rhetorical package of shared interests between India and the United States and others such as Japan, South Korea and Australia. India also finds it useful in differentiating itself from its two principal strategic adversaries,

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<sup>27</sup> B.Raman, “India & Japan: Democracy as a Strategic Weapon” South Asia Analysis Group, Paper No. 206, 17 December 2006.

<sup>28</sup> Brahma Chellaney, “Towards Asian power equilibrium,” *The Hindu*, 1 November 2008.

<sup>29</sup> Walt, *The Origins of Alliances*, p.266.

<sup>30</sup> Victor D. Cha, “The Ideational Dimension of America’s Alliances in Asia,” in Amitav Acharya and Evelyn Goh (eds.), *Reassessing Security Cooperation in the Asia Pacific: Competition, Congruence and Transformation* (Cambridge: The MIT Press, 2007), pp.41-70.

<sup>31</sup> G.John Ikenberry, *Liberal order and imperial ambition: essays on American power and world politics* (Malden, MA : Polity, 2006).

Pakistan and China.<sup>32</sup> However there is little history of democratic values playing a significant role in East Asian strategic relationships and democratic values (or the lack of them) seem to have been little impediment to the development of India's relationships with Singapore or Vietnam. India has also demonstrated a willingness to abandon democracy as a guiding principle where it believes that its interests are otherwise threatened (e.g. when support for Burma's democratic opposition was reversed in the face of China's increased influence with the Burmese junta). As Indian Foreign Secretary Shyam Saran commented in February 2005, although "democracy remains India's biding conviction, the importance of our neighbourhood requires that we remain engaged with whichever government is exercising authority in any country."<sup>33</sup>

### **2.2.5 India as a maritime power**

A new and potentially significant element in Indian strategic thinking is a partial reorientation in India's strategic outlook from purely continentalist towards a more maritunist perspective. This helps fuel India's ambition to become the predominant naval power in the Indian Ocean region, an ambition which has significant consequences on India's security role in Southeast Asia. More generally, it suggests a reorientation in strategic thinking towards maritime states such as those in East Asia.

Indian security thinking has traditionally tended to take a "continental" outlook. For thousands of years military threats to India have been perceived as coming primarily from India's north-west. This was reinforced by India's experience in the twentieth century, when any direct military threats to India were land-based: from the north-

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<sup>32</sup> C.Raja Mohan, "Balancing Interests and Values: India's Struggle with Democracy Promotion," *The Washington Quarterly*, Vol.30 No.3 (Summer 2007), pp.99-115.

<sup>33</sup> Shyam Saran, "India and its Neighbours", address in New Delhi, 14 February 2005.  
<[www.meaindia.nic.in](http://www.meaindia.nic.in)>.



east (Japan, 1941-45), the west (Pakistan, 1947 and after) and the north (China, 1962 and after). The continuing threats on India's western and northern borders and from domestic insurgencies has led to the Indian Army holding an undisputedly dominant position within the Indian military establishment, in comparison to which the Indian navy and its supporters have had little strategic influence.

Despite this tradition there has been a developing view among some Indian strategists of India as primarily a maritime and not a continental power. According to some New Delhi is making a conscious effort to expand the Indian "mental map" in strategic affairs to include the seafaring dimension, which can be compared with the fundamental shifts in strategic culture experienced by Japan and the United States in the nineteenth century.<sup>34</sup> Many Indian naval leaders and commentators argue that India's peninsular character and central position in the Indian Ocean gives the sea a preponderant influence over its destiny. In 2000, Indian Chief of Naval Staff, Admiral Sushil Kumar stated: "in my view the continentalist era is over and the next millennium will witness the dawning of a new maritime period. I believe that during the next century India will realise her potential as a full-fledged maritime nation and that India's maritime dimension will decisively shape our country's destiny in the years ahead." Kumar further claimed that under the then government, "India's national interest had been made coterminous with maritime security."<sup>35</sup>

Some Indian leaders have drawn a close connection between India's maritime ambitions and its destiny as a great power. As Indian Foreign Minister Pranab Mukherjee commented in June 2007, "Fortunately, after nearly a millennia of inward and landward focus, we are once again turning our gaze outwards and seawards, which is the natural direction of view for a nation seeking to re-establish itself, not

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<sup>34</sup> Holmes *et al*, *Indian Naval Strategy in the Twenty-First Century*, p.33.

<sup>35</sup> Quoted in David Scott, "India's "Grand Strategy for the Indian Ocean: Mahanian Visions," *Asia-Pacific Review*, Vol.13, No.2 (2006), pp.97-129 at 109.

simply as a continental power, but even more so as a maritime power, *and consequently as one that is of significance on the world stage* (emphasis added).<sup>36</sup>

Such thinking seems to echo other great power aspirants such as the Soviet Union (in the 1970s), and now, China that maritime power is at the very least a *sine qua non* of great power status. One could also argue that for geographical reasons any significant expansion of Indian influence can only take place in the maritime domain. The Himalayas provide a formidable barrier to India's ability to project power and influence northwards. As Rajiv Sikri, a former Secretary in India's Foreign Ministry commented: "If India aspires to be a great power, then the only direction in which India's strategic influence can spread is across the seas. In every other direction there are formidable constraints."<sup>37</sup>

India's standing as the most populous state in the Indian Ocean region and its central position in the northern Indian Ocean have long contributed to beliefs in New Delhi about India's destiny to control its eponymous ocean. Even before India's independence, K.M. Panikkar, India's most famous maritime strategist, argued that the Indian Ocean must remain "truly Indian" advocating the creation of a "steel ring" around India through the establishment of forward naval bases in Singapore, Mauritius, Yemen and Sri Lanka. According to some reports there is now a "well established tradition" among the Indian strategic community that the Indian Ocean is, or should be, "India's Ocean."<sup>38</sup>

Not surprisingly, India's area of maritime interest is primarily focused on the northern Indian Ocean, although it has increasingly also extended into the southwest Indian Ocean. In 2000, Defence Minister George Fernandes spoke of an extended Indian

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<sup>36</sup> Pranab Mukherjee, Speech for the Admiral A. K. Chatterjee Memorial Lecture, Kolkata, 30 June 2007.

<sup>37</sup> Sikri, *Challenge and Strategy*, p.250.

<sup>38</sup> Scott, "India's "Grand Strategy" for the Indian Ocean," at p.99

*area of interest* from “the north of the Arabian Sea to the South China Sea.”<sup>39</sup> In 2001, the Ministry of Defence Annual Report described what it called India’s *security environment* as extending from the Persian Gulf in the west, to the Straits of Malacca in the east,<sup>40</sup> an area which the former BJP Foreign Minister Jaswant Singh called India’s *sphere of influence*<sup>41</sup> and the current Prime Minister Manmohan Singh has perhaps more diplomatically called India’s *strategic footprint*.<sup>42</sup> Many believe that the Indian Navy has come to see itself as destined to become the predominant maritime security provider in a region stretching from the Red Sea to Singapore and having a significant security role in areas beyond, including the South China Sea.<sup>43</sup>

There is also a widespread view in New Delhi that control of the Indian Ocean (including the chokepoints into the Pacific Ocean) could give India the ability to dominate the whole of maritime Asia. Alfred Thayer Mahan, the nineteenth century American naval strategist, is quoted widely and approvingly among Indian strategic thinkers including a statement attributed to Mahan that: “Whoever controls the Indian Ocean dominates Asia....In the 21st century, the destiny of the world will be decided on its waters.” Although the attribution of the statement has been shown to be fictitious, it has not inhibited the enthusiasm for the ideas that it carries.<sup>44</sup> Chapter 2.3 will examine how India’s ambitions in the Indian Ocean to a significant extent underpin India’s security ambitions in maritime Southeast Asia.

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<sup>39</sup> Atul Aneja “India, Vietnam partners in safeguarding sea lanes,” *The Hindu*, 15 April 2000.

<sup>40</sup> Ministry of Defence, *Annual Report 2000-2001*.

<sup>41</sup> Chidanand Rajghatta, “Singh’s Praise,” *Times of India*, 13 April 2001.

<sup>42</sup> “PM’s Address at the Combined Commander’s Conference,” 24 October 2004.

<sup>43</sup> Scott, “India’s “Grand Strategy” for the Indian Ocean.”

<sup>44</sup> See generally, Rahul Roy-Chaudhury, *Sea Power and India’s Security* (London: Brassey’s, 1995), p.199.

### 2.2.6 An Indian sphere of influence?

Related to the increased prominence of maritime perspectives is a revival in thinking about an Indian sphere of influence in the Indian Ocean region, potentially extending into Southeast Asia. While such ideas can, in part, be viewed as a reaction to perceived incursions of China into India's neighbourhood, they should primarily be seen as a natural consequence of India's ambitions as a great regional power.

Discussions of an Indian sphere of influence beyond South Asia are sometimes identified with Lord Curzon, the British Viceroy of India at the beginning of the twentieth century, who advocated that British India adopt a "Forward Policy" to secure India. Curzon's so-called "Forward School" argued that India's security demanded control of the maritime routes and key ports en route to India (including Aden and Singapore) and the creation of territorial buffers to insulate direct contact with other empires (including Afghanistan in the west, Tibet in the north and Siam in the east) and for British India to take an active role in managing the affairs of the buffer zones.

In many ways the policies of the British Raj represented a significant departure from Indian traditions, which had little history of territorial expansion or military or political adventure beyond the limits of the subcontinent. Tanham's classic study of India's strategic culture in the early 1990s characterised Indian strategic thinking as being "defensive" and having a "lack of an expansionist military tradition."<sup>45</sup> Certainly, any affirmation of an Indian security sphere beyond South Asia largely ceased following independence. After 1947, India effectively withdrew to the Indian subcontinent and asserted what has been called "India's Monroe Doctrine" according to which India would not permit any intervention by any "external" power in India's immediate neighbours in South Asia and related islands. However, attempts by both India and

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<sup>45</sup> George Tanham, "Indian Strategic Thought: An Interpretive Essay," in Tanham, Bajpai and Mattoo, *Securing India*, p.73.

China to impose a “Monroe Doctrine” in their neighbourhoods since the mid twentieth century have had limited success: assertions of traditional suzerainty over smaller neighbours encountered resistance from both regional and extra-regional powers.<sup>46</sup> Nevertheless, India’s Monroe Doctrine was used to justify interventions in India’s smaller neighbours such as Sri Lanka and Maldives.<sup>47</sup> An important extension of India’s perceived area of influence was to Indochina, where during the Cold War India developed a strong political relationship with Vietnam in an effort to limit the influence of China and other “external” powers in that subregion. Through the Cold War and thereafter, Indian leaders and leading strategists claimed that Vietnam guarded the eastern flank of India’s “core sphere of influence” in South Asia.<sup>48</sup>

Since the end of the Cold War there has been a revival in discussion in India about a “natural” sphere of influence extending well beyond the Indian subcontinent. This is related to attempts to move beyond India’s strategic preoccupations in South Asia and re-engage with its extended neighbourhood so as to rectify what Foreign Minister Jaswant Singh called India’s unnecessary acceptance of “the post-Partition limits geography imposed on policy.”<sup>49</sup> As noted above, over the last decade there have been repeated assertions at both a political and military level in New Delhi that Southeast Asia forms part of India’s “sphere of influence” or its “strategic footprint,” at least in the maritime sphere. However, this vision extends beyond mere maritime predominance. Some have tried to re-articulate commonly understood geographical concepts through, for example, expanding the traditional concept of “South Asia” (in which India is naturally predominant) towards a concept of “Southern Asia”, an area

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<sup>46</sup> J.Mohan Malik, “India and China: Bound to Collide” in P.R.Kumaraswamy (ed.), *Security Beyond Survival: Essays for K.Subrahmanyam* (New Delhi: Sage Publications, 2004) pp.127-165.

<sup>47</sup> James R.Holmes and Toshi Yoshihara, “India’s ‘Monroe Doctrine’ and Asia’s Maritime Future,” *Strategic Analysis* Vol.32, No.6 (November 2008), pp.997- 1011.

<sup>48</sup> According to Indira Gandhi. See John W.Garver, “Chinese-Indian Rivalry in Indochina,” *Asian Survey*, Vol.27, No.11 (Nov. 1987), pp.1205-1219 at p.1207-8.

<sup>49</sup> Mohan, *Crossing the Rubicon*, p.205.

extending from the Persian Gulf to Singapore. K. Subrahmanyam, once called the “doyen” of Indian strategists by Prime Minister Manmohan Singh, reportedly proclaimed that it is India’s “manifest destiny to control *Southern Asia* and the Indian Ocean sea-lanes around us.”<sup>50</sup> (emphasis added) Subrahmanyam’s words were no doubt intended to evoke claims by the United States to a special role in the Western Hemisphere.

Mohan has labelled India’s reach into its extended neighbourhood over the last decade or more as a neo-Curzonian “Forward Policy.” Mohan claims:

*“The end of the cold war and the efforts to globalise the economy put India willy-nilly on the path of a new forward policy. India never consciously articulated its approach in terms of theory that demanded activism in the neighbouring regions to enhance its own security. Its regional initiatives were presented in terms of mutual economic benefit and the restoration of historic links, but their strategic significance was unmistakable.”*<sup>51</sup>

According to Mohan, this new Forward Policy includes the revival of commercial cooperation; the building of institutional and political links in the region; developing physical connectivity with neighbouring regions; initiation of defence contacts with key states and strategic competition with China and Pakistan. Suggestions that India is pursuing (or should pursue) a new Forward Policy have been strongly criticised by some Indian strategists seeing it as an inappropriate, irrelevant or “quixotic” attempt to return to imperial thinking. Despite such criticism, it is not difficult to view India’s strategic engagement with East Asia, and particularly with Southeast Asia, as a part of a reassertion of British India’s sphere of influence centred on the Indian Ocean and extending from Aden to Singapore. In the east one might see Indian hopes to develop

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<sup>50</sup> Quoted in Holmes *et al*, *Indian Naval Strategy in the 21st Century*, p.38.

<sup>51</sup> Mohan, *Crossing the Rubicon*, p.209.

Burma as a buffer state against China, while India gains maritime predominance in the Bay of Bengal/Andaman Sea and a major role in the Malacca Strait. Singapore would act as the eastern “anchor” to this space. In the west India exerts influence in Afghanistan while it renews its historical relationships with the Gulf States and Iran.<sup>52</sup>

While there are indications of India’s ambitions to build something that might be called a “sphere of influence” there has been little guidance as to what it might look like, particularly in Southeast Asia. Certainly, India’s approach to building a sphere of influence from Aden to Singapore differs significantly from Lord Curzon’s. India has no choice but to accept that it must develop its influence in a non-confrontational way. As Foreign Minister Pranab Mukherjee commented (in relation to South Asia): “India does not seek an exclusive sphere of influence, but a shared sphere of mutual development and cooperation.”<sup>53</sup> Similarly, Mohan argues that New Delhi is unlikely to make an attempt to regain the hegemonic role of British India in the Indian Ocean region.<sup>54</sup> India’s cooperative approach to developing security relationships with smaller states has been particularly evident in Southeast Asia, where the Indian navy has been successful in developing good relationships in the region and has displayed a degree of sensitivity towards local political concerns in relation to the Malacca Strait.

The failure of India to project military power beyond the limits of South Asia during the Cold War has placed India in good stead in East Asia. India has a noticeable lack of historical baggage in its dealings in the region, perhaps with the exception of the Islamic factor arising from India’s conflict with Pakistan. India is commonly perceived in Southeast Asia as essentially a benign power and not a would-be hegemon, often in

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<sup>52</sup> In December 2008 India negotiated a security agreement with Qatar which has been reportedly described by Indian officials as “just short of stationing troops.” Zakir Hussain, “Indian PM’s visit to Oman and Qatar,” *IDSA Comment*, 2 December 2008.

<sup>53</sup> Amit Baruah, “Not seeking exclusive sphere of influence,” *The Hindu*, 11 February 2007.

<sup>54</sup> Mohan, *Crossing the Rubicon*, ch.8.

contrast with other external powers such as China, the United States and Japan. According to some, India's track record of nonaggression, its cultural and philosophical virtues, and its ethnic and religious ties to Southeast Asia lend credence to Indian soft power diplomacy.<sup>55</sup> While India is not in a position to exert significant power through military predominance or ideological means, it may be able to do so as a provider of public goods.<sup>56</sup> In the early 1990s, Tanham described India's regional ambitions in the following terms:

*"Strategically, India aspires to be a friendly international peacekeeper. It sees itself as a benevolent nation and a friendly policeman that seeks peace and stability for the entire Indian Ocean region. It denies any hegemonistic designs or territorial ambitions. It vehemently rejects and resents charges of being a regional bully. It wants not only to play the role of regional peace-keeper but also to be acknowledged and endorsed in that role by others, especially the great powers."*<sup>57</sup>

India shows a strong desire to project power into the region as a benign maritime peacekeeper. There are indications that some in Southeast Asia (particularly Singapore) are now willing to cede India a role as a maritime security provider in the Malacca Strait, if only in the context of balancing other major powers. Mohan claims that as the Indian economy grows and it modernises its military capabilities it will become an attractive partner, generating strategic "options that did not exist before in the Western Pacific."<sup>58</sup> This may well become the case; however, as will be seen in

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<sup>55</sup> Holmes *et al*, *Indian Naval Strategy in the 21st Century*, p.155.

<sup>56</sup> For a discussion of these different ways of exerting hegemony, see Rajesh Rajagopalan, "India and the Great Powers: Strategic Imperatives, Normative Necessities," *South Asian Survey*, Vol.15, No.5 (2008) pp. 5 -32.

<sup>57</sup> Tanham, "Indian Strategic Thought: An Interpretive Essay," p.69.

<sup>58</sup> C.Raja Mohan, "Is India an East Asian Power? Explaining New Delhi's Security Politics in the Western Pacific," ISAS Working Paper No.81, 11 August 2009.



Parts 3 and 4, few in East Asia currently see India as playing any material security role in the Western Pacific.

As it expands its influence in Southeast Asia, India has had to accept that other major powers will continue to have significant interests in the region. The United States, particularly with its base at Diego Garcia and its naval facilities in Singapore and the Gulf, seems likely to remain the predominant naval power in the Indian Ocean region for some time to come. However, there are indications that the United States is willing to cede – and indeed encourage – a major regional naval role for India across the Indian Ocean and including in the Malacca Strait.<sup>59</sup> US thinking in this respect is considered further at section 2.3.1. For its part, India's willingness to cooperate with the United States in achieving its ambitions is not as paradoxical as it may seem. As the former US Secretary of State, Dean Acheson, once conceded, the United States in developing its sphere of influence in the Western Hemisphere in the nineteenth century relied on the then superpower Britain (then in relative decline), to enforce the Monroe Doctrine until the United States was sufficiently strong to do so itself.<sup>60</sup>

Nevertheless, with the exception of the United States, which is unlikely soon to recognise India's predominance (except, perhaps, in specific areas), India will likely wish to cooperate with extra-regional navies in the Indian Ocean only as long as they recognise India's leading role.<sup>61</sup> Japan's apparent willingness to recognise India's role as the "leading" maritime security provider west of the Malacca Strait forms a not insignificant element in the developing India-Japan security relationship. In contrast, others such as China and Australia seem unlikely to cede any such role to India.

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<sup>59</sup> Which contrasts with the United States' refusal to cede any regional security role for China in the Pacific Ocean.

<sup>60</sup> Dean G. Acheson, *A Democrat Looks at his Party* (New York: Harper, 1955), p.64.

<sup>61</sup> M.Pardesi, *Deducing India's Grand Strategy of Regional Hegemony from Historical and Conceptual Perspectives* (Singapore: Institute of Defence and Strategic Studies, 2005), p.53.

Is the revival in Indian strategic thinking about a sphere of influence merely a defensive reaction to the rise of China and perceived intrusions of China into India's strategic space or is it derived from India's ambitions as a great power? Neorealists argue that it is natural for especially powerful states to seek regional hegemony.<sup>62</sup> One study of India's regional plans concluded that: "a rising India will try to establish regional hegemony in South Asia and the Indian Ocean Region... just like all the other rising powers have since Napoleonic times, with the long term goal of achieving great power status on an Asian and perhaps even global scale."<sup>63</sup> Neorealist theory might explain the development of a sphere of interest by a great power in terms of small states electing to bandwagon with a larger power instead of balancing against it.<sup>64</sup> This analysis is at the very least incomplete in the case of India – where few except perhaps the smallest of Indian Ocean island states could be described as "bandwagoning" with India against any other power. From a geopolitical perspective, spheres of influence are seen as a normal part of ordering the international system. According to Cohen: "... spheres of influence are essential to the preservation of national and regional expression....the alternative is either a monolithic world system or utter chaos."<sup>65</sup> From an Indian perspective the expression of a sphere of influence over the Indian Ocean region up to Singapore might be seen as India reasserting an historical or geographical role that was interrupted by India's post-independence self-limitations, limitations which India is now consciously seeking to overcome. Such a sphere of influence might also be seen as a "natural" appurtenance of a great power.

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<sup>62</sup> Mearsheimer, *The Tragedy of Great Power Politics*, p.232.

<sup>63</sup> Pardesi, *Deducing India's Grand Strategy of Regional Hegemony from Historical and Conceptual Perspectives*, p.55.

<sup>64</sup> Walt, *The Origins of Alliances*, pp.23-4.

<sup>65</sup> Saul Cohen, *Geography and politics in a world divided (2d ed.)* (New York: Oxford University Press, 1973), p.viii.

However, China also provides good defensive reasons for the development of a sphere of influence. Many Indian strategists see China's actions in Southern Asia, including its consolidation of Tibet, its alliance with Pakistan and its relationships with Burma, Bangladesh and Nepal as part of a cohesive and successful policy of "encirclement" or "containment" of India. As will be discussed in section 2.3.2, China's putative String of Pearls strategy is widely viewed among the Indian security community as primarily motivated by a strategy of maritime encirclement of India. The development of a "defensive" sphere of influence is thus justified by China's actions in South Asia and the Indian Ocean. As the former Indian Chief of Naval Staff, Admiral Arun Prakash, commented: "The appropriate counter to China's encirclement of India is to build our own relations, particularly in our neighbourhood, on the basis of our national interests and magnanimity towards smaller neighbours...."<sup>66</sup>

Many Indian security "hawks" claim China's putative encirclement strategy justifies a more offensive approach by India, advocating a policy of "counter-encirclement" of China, including the development of security relationships along China's periphery in Southeast and Northeast Asia and North and Central Asia.<sup>67</sup> The development by India of security-related facilities in Tajikistan and Mongolia are taken as evidence of India's counter-encirclement strategy in Central and North Asia and such a strategy is seen as driving India's relationships with Vietnam, Taiwan, South Korea and Japan on China's eastern periphery. A counter-encirclement strategy is also used to advocate the

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<sup>66</sup> Admiral Arun Prakash, "China and the Indian Ocean Region" *Indian Defence Review* Vol.21 No.4 (October – December 2006), pp.7-12 at 11.

<sup>67</sup> See, for example, Colonel Gurmeet Kanwal, "Countering China's Strategic Encirclement of India," *Indian Defence Review*, Vol.15 No.3 (July-September 2000), p.17; Bharat Karnad, *Nuclear Weapons and Indian Security: The Realist Foundations of Strategy* (Delhi : Macmillan India, 2005); Mohan Malik, "Sino-Indian Relations in the 21st Century: The Continuing Rivalry," in Brahma Chellaney (ed.), *Securing India's Future in the New Millenium* (New Delhi: Centre for Policy Research, 1999); and Iskander Rehman, "Keeping the Dragon at Bay: India's Counter-Containment of China in Asia," *Asian Security*, Vol.5 No.2 (May 2009), pp.114-143.

development of a direct India security presence on China's periphery, including Indian control of the Malacca Strait and ultimately an Indian naval presence in the South China Sea and even possibly in the Sea of Japan.<sup>68</sup> Many Indian strategists would strongly reject any proposition that India is involved in any counter-encirclement strategy against China.<sup>69</sup> Nevertheless, advocates of such a policy could gain greater influence in New Delhi in the event of a significant deterioration in the Sino-Indian relationship, particularly if China is perceived as being too assertive in the Indian Ocean region.

## **Conclusion**

India has not articulated any "grand strategy" about East Asia and seems unlikely to do so any time soon. As a result, Indian strategic thinking about East Asia is best understood as a mosaic of perspectives and pragmatic goals which often cross ideological boundaries and which may or may not be wholly consistent. It is, however, possible to identify two key factors that are driving Indian strategic thinking about East Asia: rivalry with China (which is essentially a reactive dynamic) and India's ambitions to achieve great power status (essentially an active dynamic).

Fears of possible Chinese hegemony in East Asia and of Chinese "intrusions" into India's strategic space in South Asia and the Indian Ocean region have led to greater prominence in realist thinking about balancing China. From India's perspective this is a significant factor in its relationship with the United States and Japan and smaller powers such as Singapore and Vietnam (although, as will be seen, such motivations may not necessarily be reciprocated in Southeast Asia). However, India's ability to enter into any balancing coalition with the United States and its allies is limited by its

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<sup>68</sup> Karnad, *Nuclear Weapons and Indian Security*, p.541 and Mohan Malik, "China's Strategy of Containing India" *Public Interest News Report*, 6 February 2009. <[www.pinr.com](http://www.pinr.com)>.

<sup>69</sup> See, for example, Mohan, "Is India an East Asian Power?" p.17.

objectives of maintaining strategic autonomy and avoiding overt rivalry with China. The dimensions of Sino-Indian rivalry will be explored in chapter 2.4.

Beliefs about India's destiny as a great power underlie a separate stream of strategic thinking, one more rooted in geopolitical perspectives. India's strategic outlook is increasingly oriented towards a maritime perspective, driving its aspirations to become the predominant naval power in the Indian Ocean. Related to these ambitions are ideas about the development of an Indian sphere of influence which, among other things, would encompass the littoral states in the northeast Indian Ocean. As a result, India is increasingly projecting naval power into Southeast Asia, although it has been careful to do so in a cooperative manner. India's maritime ambitions will be explored in greater detail in chapter 2.3.

## **Chapter 2.3 India as a great maritime power**

- 2.3.1 India's maritime security role in the Indian Ocean
- 2.3.2 Sino-Indian maritime rivalry
- 2.3.3 India's maritime security ambitions in Southeast Asia
- 2.3.4 Proposals for cooperative security arrangements in the Indian Ocean

### **Introduction**

The previous chapter included a discussion of the development of Indian strategic thought about maritime power and ideas about an expanded Indian sphere of maritime influence. This chapter will argue that India's ambition to be a great maritime power in the Indian Ocean region is a significant underlying factor in its security relationships in East Asia.

#### **2.3.1 India's maritime security role in the Indian Ocean**

This section will provide an overview of India's potential maritime security role in the Indian Ocean.<sup>1</sup>

The current and planned expansion of India's naval capabilities has been examined in detail elsewhere.<sup>2</sup> During the Cold War, India's ability to pursue its maritime ambitions was severely constrained through a combination of superpower rivalry in

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<sup>1</sup> For general discussions of India's maritime strategy, see Naidu, *The Indian navy and Southeast Asia*; David Scott, "India's "Grand Strategy" for the Indian Ocean: Mahanian Visions," *Asia-Pacific Review*, Vol. 13, No.2 (2006), pp.97-129; and Holmes *et al*, *Indian Naval Strategy in the 21st Century*.

<sup>2</sup> See, for example, Holmes *et al*, *Indian Naval Strategy in the Twenty-first Century*, Ch.5 and Leszek Buzsynski, "Emerging Naval Rivalry in East Asia and the Indian Ocean: Implications for Australia," *Security Challenges* Vol.5 No.3 (2009), pp.73-93.

the Indian Ocean and a lack of economic resources. For decades following independence the Indian navy was the “Cinderella” of the Indian armed forces, while India focused on immediate security threats on India’s western and northern land borders. However, since the mid-1990s, India has embarked on a major program to develop a “Blue Water” navy involving significant increases in naval expenditure. India’s armed forces budget grew at an annual rate of 5% from 2001 to 2005 and at around 10% from 2005-2008. The navy’s share of the defence budget has risen from 11% in 1992/93 to 18% in 2008/09. The proportion of the navy’s budget allocated to capital expenditure significantly exceeds the proportions allocated by the army or air force.<sup>3</sup> At the same time, the Indian navy’s force structure has been undergoing significant change with an emphasis on sea control capabilities. Plans announced in 2008 call for a fleet of over 160 ships by 2022, including three aircraft carriers and 60 major combatant ships, as well as almost 400 naval aircraft. According to Admiral Arun Prakash, the former Chief of Naval Staff, India aims to exercise selective sea control of the Indian Ocean through task forces built around three aircraft carriers that will form the core of separate fleets in the Bay of Bengal, the Indian Ocean and the Arabian Sea.<sup>4</sup>

In conjunction with an increase in its naval capabilities, over the last two decades, India has been quietly expanding its sphere of influence throughout the Indian Ocean. The Indian navy has been active in developing security relationships with states throughout the Indian Ocean region that are intended to enhance India’s ability to project power and restrict China’s ability to develop security relationships in the region. India’s strategic ambitions are primarily focused on the northern Indian Ocean. Although it has also pursued a “Look West” policy in recent years, the navy’s

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<sup>3</sup> Harsh V. Pant, “India in the Indian Ocean: Growing Mismatch between Ambitions and Capabilities,” *Pacific Affairs*, Vol.82, No.2 (Summer 2009), pp.279-297, at p.284.

<sup>4</sup> Arun Prakash, “A Vision of India’s Maritime Power in the 21st Century” *USI Journal* (July-September 2006), pp. 454-63.

“Look East” projection remains its major focus beyond South Asia. In Southeast Asia India has developed a strong security relationship with Singapore (see chapter 3.1) and is in the process of developing a security relationship with Indonesia (see chapter 3.2). In the northern Indian Ocean, India has also developed a close security relationship with the Maldives (where the Indian navy/air force has been granted use of the old British airbase on Gan island and India is building a system of electronic monitoring facilities across the country)<sup>5</sup> and in the Persian Gulf, where the Indian navy has security relationships with Oman and Qatar.<sup>6</sup> India has also made significant progress in developing maritime security partnerships with island states in the southwestern Indian Ocean including Mauritius, Seychelles and Mozambique (where the Indian navy assists in providing maritime security)<sup>7</sup> and Madagascar (where India operates sigint facilities).<sup>8</sup> Arguably these relationships form the basis for a sphere of naval influence covering most of the Indian Ocean.<sup>9</sup> The Indian navy has also sought to institutionalise a position for itself as the leading Indian Ocean power through such initiatives as sponsoring the Indian Ocean Naval Symposium, modelled on the US-led Western Pacific Naval Symposium.<sup>10</sup>

Given that the Indian Ocean is in many ways an enclosed sea, the Indian navy has given particular focus to the chokepoints at entrances to the ocean, including in southern Africa and the Arabian peninsula, and most particularly the straits that connect the

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<sup>5</sup> Balaji Chandramohan, “India, Maldives and the Indian Ocean,” *IDSA Comment*, 13 October 2009.

<sup>6</sup> Hussain, “Indian PM’s visit to Oman and Qatar.”

<sup>7</sup> “Indian ship to patrol Seychelles, Mauritius,” *Deccan Chronicle*, 24 November 2009.

<sup>8</sup> “Indian Navy Activates Listening Post, Monitoring Station in Madagascar, Indian Ocean,” *India Defence*, 18 July 2007.

<sup>9</sup> See generally, David Brewster, “An Indian sphere of influence in the Indian Ocean?” *Security Challenges* (2010) (forthcoming).

<sup>10</sup> See generally, Gurpreet S.Khurana, “Indian Ocean Naval Symposium (IONS): Where from....Whither-Bound?” *IDSA Comment*, 22 February 2008.



Indian and Pacific Oceans through the Indonesian archipelago (the Malacca, Sunda and Lombok Straits). According to the Indian Navy's 2004 Maritime Doctrine:

*"By virtue of geography, we are... in a position to greatly influence the movement/security of shipping along the [sea lines of communication] in the [Indian Ocean region] provided we have the maritime power to do so. Control of the choke points could be useful as a bargaining chip in the international power game, where the currency of military power remains a stark reality."*<sup>11</sup>

India's strategic ambitions in relation to the most significant of these chokepoints in Southeast Asia, the Malacca Strait, are discussed in detail in section 2.3.3 below.

The type of security role which India envisages for itself in the Indian Ocean region remains a work in progress. To a significant extent this will be determined by the extent to which India's naval expansion plans come to fruition. Drawing on the experience of the United States in the Western Hemisphere in the nineteenth and twentieth centuries, Holmes has identified three basic roles which the Indian navy could play: first, a "free-rider" navy, in which the Indian navy can play a growing role in maritime policing and humanitarian functions while the United States continues to play a dominant role; second, a "constable" navy, in which the Indian navy would, sparingly and with tact, intervene in littoral states to advance a common interest of South Asian states, and third, a "strong-man" navy where it sought to establish hegemony in the Indian Ocean and had the capability of mounting forward defence beyond the Indian Ocean.<sup>12</sup> Holmes concludes that the ambitions represented by the Indian navy's expansion program in the coming decades would give it the capability to act somewhere between a "free-rider" navy and a "constable" navy.

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<sup>11</sup> India, Integrated Headquarters, Ministry of Defence (Navy), *Indian Maritime Doctrine*, 2004, p.64. This statement was not repeated in the 2009 edition of *Indian Maritime Doctrine*.

<sup>12</sup> Holmes *et al*, *Indian Naval Strategy in the Twenty-first Century*, pp.50-52.

India's naval ambitions have not been without critics. Given the long-standing lack of co-ordination in strategic planning between the military services and within government itself, the Indian navy's activist role in the Indian Ocean region and Southeast Asia has often been ahead of other armed services and the government. There is long running tension between the Indian navy and Ministry of External Affairs over the navy's assertive regional policy, including most recently in the decision to participate in anti-piracy operations off Somalia. Others are sceptical about the ability of India to transform itself from a continental to a maritime power. Sahni, for example, warns that the Soviet Union's failed attempts to become a naval power in the 1970s and 1980s should act as "a cautionary tale for India's Mahanian navalists....[and] a grim warning of what happens to a continental state that harbours overly grandiose maritime ambitions."<sup>13</sup> Sahni suggests that India should move away from following a "sea control" strategy based around expensive and vulnerable aircraft carriers and follow a "sea denial" strategy based on submarines. India also has a long tradition of its strategic ambitions surpassing its capabilities and of strategic goals and military expansion plans going unfulfilled, reflecting a lack of integrated planning among the armed services and with the government.

Despite these caveats, there are grounds to believe that a maritime perspective now holds a significantly stronger place in Indian strategic thinking than in the past.

### ***US perspectives on India as a major maritime power in the Indian Ocean***

The United States has played a particularly important role in facilitating the expansion of India's naval power. Over the last decade or more the United States has actively encouraged the expansion of India's naval ambitions and capabilities, according to

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<sup>13</sup> Varun Sahni, "India's Security Challenges out to 2000," paper presented at the Australia-India Security Roundtable, Canberra, 11-12 April 2005.

some, calling for India to coordinate its maritime strategy with the United States in the Persian Gulf, Southeast Asia and as far as the Taiwan straits.<sup>14</sup> The US Secretary of State Designate, Colin Powell, told the US Senate Foreign Relations Committee in 2001 that, “... India has the potential to help keep the peace in the vast Indian Ocean area and its periphery. We need to work harder and more consistently to help them in this endeavor...”<sup>15</sup>. Similarly, US Secretary of the Navy, Donald Winter, commented in 2008, the United States welcomed India “taking up the responsibility to ensure security in this part of the world.”<sup>16</sup>

The United States has given particular encouragement to increase India’s naval presence in the northeast Indian Ocean (including the development of facilities at India’s Andaman Island naval base)<sup>17</sup> and appears to have indicated its acquiescence in a direct security role for India inside the Malacca Strait.<sup>18</sup> Much (but not all) of this is a reflection of a desire by the United States to build India as an important balancing factor against China, particularly in the Indian Ocean region where the United States has encouraged Indian fears of Chinese naval power.<sup>19</sup> It has been argued that the

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<sup>14</sup> Ashley Tellis, “South Asia,” in Richard J. Ellings and Aaron L. Friedberg (eds.) *Strategic Asia 2001-02 Power and Purpose* (Seattle: National Bureau of Asian Research, 2002) at pp.262-3.

<sup>15</sup> Washington File, 2001, Powell Statement before Senate Foreign Relations Committee, 17 January 2001, <<http://usinfo.org/wf-archive/2001/010117/epf301.htm>>.

<sup>16</sup> Sandeep Dikshit, “No Strings Attached to Sale of Ships,” *The Hindu*, 29 March 2008.

<sup>17</sup> According to one report, the United States offered to partly fund construction of port facilities. Ramtanu Maitra, “India bids to rule the waves,” *Asia Times*, 19 October, 2005.

<sup>18</sup> In contrast, the northwestern Indian Ocean region (including the Persian Gulf) remains an area where the United States has been somewhat less forthcoming in encouraging naval cooperation with India – reflecting both US naval predominance in that region and the level of naval cooperation between the US and Pakistan.

<sup>19</sup> Thus a joke by a Chinese naval officer to his US counterpart that China should take responsibility for maritime security in the Western Pacific and the Indian Ocean was dutifully reported to the Indian press by Admiral Keating of the US Pacific Command. See Manu Pubby,

approach of the United States in encouraging the development of India as an emerging regional naval power with a particular responsibility for the Indian Ocean is analogous to Britain's strategy in the late nineteenth and early twentieth century, when it found itself challenged by the growth of German naval power. Britain forged partnerships with emerging naval powers, the United States in the western hemisphere and Japan in the Pacific, allowing them a measure of regional hegemony, while Britain concentrated its naval resources in the North Atlantic against the greater threat presented by the rise of Germany.<sup>20</sup> Such an analogy, while far from perfect, captures some of the factors present in US thinking, particularly in its perceptions of the growing maritime threat presented by China.

### **2.3.2 Sino-Indian maritime rivalry**

Strategic competition between India and China will be discussed generally in chapter 2.4. Naval competition with China has been a major factor in driving India's maritime security ambitions in the Indian Ocean and Southeast Asia. While the Indian navy's immediate objectives involve countering Pakistan and enforcing control over India's EEZ, the potential for China to project naval power into the Indian Ocean has become its principal long term source of concern.

In the mid-1980s China began implementing plans for a blue water navy. Although focused on protecting China's interests in the western Pacific Ocean, in particular the Taiwan Strait, it also had long term implications for India. China's naval capabilities now exceed India's by a considerable margin in both quantitative and qualitative terms. However, its ability to project power into the Indian Ocean is severely limited by the distance from ports in southern China and its lack of logistical support in the

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"China proposed division of Pacific, Indian Ocean regions, we declined: US Admiral," *Indian Express*, 15 May 2009.

<sup>20</sup> Holmes et al, *Indian Naval Strategy in the Twenty-first Century*, Ch.3.

Indian Ocean, as well as China's need to deploy to the Indian Ocean through chokepoints, including the Strait of Malacca.<sup>21</sup>

China's perceived attempts to overcome these strategic limitations in the Indian Ocean region have been called its "String of Pearls" strategy.<sup>22</sup> China has been developing political relationships and commercial interests in the Indian Ocean region for some years. According to numerous Indian reports, China is involved in some military-related facilities in the region, such as the Chinese constructed port at Gwadar in Pakistan (which some have claimed includes a Chinese sigint facility)<sup>23</sup> and monitoring and communications facilities in Burma's Coco islands in the Bay of Bengal. China has also been involved in the development of a number of commercial port facilities in the region, including in Burma, Bangladesh and Sri Lanka and there are concerns in New Delhi that China has negotiated naval access rights as part of these developments.<sup>24</sup> Since early 2009, China has stationed several naval vessels in the Gulf of Aden area to protect Chinese ships from Somali pirates, which have received logistical support out of Djibouti. A senior Chinese naval official has also recently proposed the establishment of a permanent base in the Gulf of Aden to provide support for Chinese ships carrying out anti-piracy patrols.<sup>25</sup>

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<sup>21</sup> John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century* (Seattle: University of Washington Press, 2001), pp.287; and Buzsynski, "Emerging Naval Rivalry in East Asia and the Indian Ocean."

<sup>22</sup> The term was first used in a 2005 report titled "Energy Futures in Asia" prepared for the US Secretary of Defence by the private consultants, Booz-Allen-Hamilton.

<sup>23</sup> Brahma Chellaney, "Assessing India's Reactions to China's "Peaceful Development" Doctrine," *NBR Analysis*, Vol. 18, No. 5 (April 2008).

<sup>24</sup> Ramtanu Maitra, "India bids to rule the waves," *Asia Times*, 19 October 2005; and Sudha Ramachandran, "China moves into India's back yard," *Asia Times*, 13 March 2007.

<sup>25</sup> "China mulling naval base in Gulf of Aden: admiral," *Agence-France Presse*, 29 December 2009.

While some non-Indian analysts believe that many Indian claims about the Chinese presence in the northern Indian Ocean are exaggerated, particularly claims of Chinese military presence in Burma and the Andaman Sea,<sup>26</sup> the String of Pearls theory is widely followed in New Delhi. China's relationships in the Indian Ocean region are often not perceived in the Indian security community as being a legitimate reflection of Chinese interests in protecting its SLOCs across the Indian Ocean. Rather, many perceive China's regional relationships as being directed against India: either as a plan of maritime "encirclement" of India or otherwise intended to keep India strategically preoccupied in South Asia. Others, who might acknowledge China's interests in SLOC security, argue that China is "overstepping" the mark in developing influence in the Indian Ocean region, creating a security dilemma for India. Although few have suggested that any Chinese threat to India is likely to be primarily seaborne, many in New Delhi see an almost inevitability (or at least a significant risk) that India and China will, as the former Indian Chief of Naval Staff put it, "compete and even clash in the same strategic space."<sup>27</sup>

India has responded to China's perceived Indian Ocean strategy in several ways. First, it is trying to pre-empt the development by China of security relationships in the Indian Ocean through the development of India's own security relationships in the region (discussed above). Second, it is developing its capability to exert negative control over the maritime choke points between the Indian and Pacific Oceans, principally the Malacca Strait, as well as the Lombok and Sunda Straits. This is an important factor in its security relations in Southeast Asia. As will be argued in chapter 4.2, India's role in the Indian Ocean has also become a significant factor in India's security relationship

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<sup>26</sup> See for example, Andrew Selth, "Chinese Military Bases in Burma: The Explosion of a Myth" Regional Outlook Paper No.10, 2007 (Brisbane: Griffith University, 2007); and You Ji, "Dealing with the Malacca Dilemma: China's Effort to Protect its Energy Supply," *Strategic Analysis*, Vol.31, No.3, (May 2007), pp.467-489.

<sup>27</sup> Arun Prakash, "India's Maritime Strategy," *Indian Defence Review*, 137 No.568, April-June 2007, pp.157-176.

with Japan, which sees significant value in India as a maritime security partner in that region.

### **2.3.3 India's maritime security ambitions in Southeast Asia**

#### ***The Malacca Strait***

The focal point of India's maritime security ambitions in Southeast Asia is its ambition to take an important security role in the Malacca Strait, which has been identified by the Indian navy as part of its "primary area of interest."<sup>28</sup> As noted above, the Malacca Strait is the primary chokepoint for sea traffic between the Indian and Pacific Oceans and Indian control over the Strait is seen as a prerequisite of effective control of the eastern Indian Ocean. Some have argued that for India the Malacca Strait represents a rough counterpart to the importance of the Panama Canal to the United States in terms of its ability to maintain regional hegemony.<sup>29</sup> Others place it as the significant mid-point in an "arc of rivalry" between India and China stretching from the Persian Gulf to the Sea of Japan.<sup>30</sup>

The Malacca Strait is one of the world's busiest waterways carrying over 62,000 ship movements in 2006. It is the key trade route between East Asia and Europe, carrying an estimated one third of global trade and the bulk of energy supplies from the Middle East to East Asia (including an estimated 70-80% of China's energy imports and 90% of Japan's).<sup>31</sup> The Strait, some 550 nautical miles long and whose navigable routes narrow to less than 1 nautical mile, is considered to be particularly prone to commercial piracy

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<sup>28</sup> Indian Navy, "Freedom to use the seas: India's Maritime Military Strategy," May 2007.

<sup>29</sup> Holmes *et al*, *Indian Naval Strategy in the Twenty-first Century*, p.154.

<sup>30</sup> Gurpreet S. Khurana, "China-India Maritime Rivalry," *Indian Defence Review*, Vol.23 No.4 (2009).

<sup>31</sup> Ian Storey, "Securing Southeast Asia's Sea Lanes: A Work in Progress," *Asia Policy*, No.6 (July 2008), pp.95-127.

and terrorist attacks. In the early years of last decade there were widely-held concerns about piracy and sea-robbery of ships transiting the Strait, concerns which India have sought to use to justify a security role for itself. However, reported cases of sea robbery in the Malacca Strait and surrounding areas have fallen significantly in recent years, principally due to improved land policing in Indonesia, improved economic conditions and the end of the insurgency in Indonesia's Aceh province.<sup>32</sup> Since 2001 politically motivated piracy or terrorism has also been of concern including attacks believed to have been planned by jihadist organisations on merchant and naval vessels in the Strait and surrounding areas, although no such attacks have eventuated.

Since the 1990s India has placed significant emphasis on achieving a predominant position in the Bay of Bengal and the western approaches to the Malacca Strait. India's Andaman and Nicobar islands, which run north-south through the Andaman Sea form a natural base for projecting power into the Strait and beyond into the South China Sea. In the mid-1990s, reportedly at request of the United States, India commenced development of military facilities in the Andaman Islands for a new tri-service Andaman & Nicobar Command. This chain of bases now includes extensive port facilities to service elements of the Indian Eastern Fleet and several air bases for surveillance and strike aircraft. India's naval presence in the Andamans will be supported by a new base being constructed for India's Eastern Fleet south of Visakhapatnam on India's east coast.<sup>33</sup> The operational radius of aircraft based in the Andamans encompasses the Malacca Strait and large portions of the South China Sea.<sup>34</sup> The Andaman Islands have particular significance for the security of the Strait

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<sup>32</sup> Author interviews, Singapore, June 2009.

<sup>33</sup> By Sudha Ramachandran, "Indian navy drops another anchor," *Asia Times*, 17 October 2006. <[http://www.atimes.com/atimes/South\\_Asia/HJ17Df02.html](http://www.atimes.com/atimes/South_Asia/HJ17Df02.html)>.

<sup>34</sup> A.K.Dhar, "Indian Air Force Carries out Exercise from Andaman Islands Base," *Press Trust of India*, 15 April 2005.



and have been described by a Chinese naval writer as constituting a “metal chain” that could lock the western end of the Strait tight.<sup>35</sup>

After September 2001, India significantly stepped up its presence in the Strait itself through the provision of naval escorts for high value commercial traffic through the Strait as part of the US-led Operation *Enduring Freedom*. India’s participation in the operation was supported by Singapore (which hosted Indian naval vessels), while Malaysia and Indonesia were “consulted.” India is now seeking a more permanent security role inside the Strait, which is an important factor underlying India’s strategic relationships with both Singapore and Indonesia. India also wants to improve its capability to project power into the South China Sea, which is a significant factor in India’s security relationship with Vietnam.

Security in the Strait is complicated by legal and political issues surrounding its status. The Strait (as traditionally defined) is largely within the territorial waters of Indonesia, Malaysia and Singapore and under international law foreign naval vessels have a right of transit only. Foreign naval vessels may “escort” other transiting vessels while transiting themselves, but, at least according to the littoral states, may not conduct armed “patrols.” Indonesia and Malaysia are particularly jealous in safeguarding their sovereignty over the Strait and are highly sensitive to the presence of any “external” maritime security providers in the Strait.

There has been significant controversy in recent years over moves by the United States and other major users to take a role in providing maritime security in the Strait. In April 2004, the United States announced its Regional Maritime Security Initiative (RMSI) under which it proposed to provide security in the Malacca Strait in partnership with littoral states. The initiative was strongly opposed by Indonesia and Malaysia

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<sup>35</sup> Zhang Ming, “The Malacca Dilemma and the Chinese Navy’s Strategic Choices,” *Modern Ships*, No.274, October 2006, p.23.

who construed it as proposing the deployment of US special forces in the Strait. Indonesia and Malaysia also refused to participate in the Japanese-sponsored multilateral ReCAAP initiative involving the voluntary exchange of information regarding piracy and other security threats in the Strait.

In July 2004, at the initiative of Indonesia, the three littoral states commenced the so-called MALSINDO “co-ordinated” naval patrols in the Strait. Although seen as a step in addressing international security concerns, the effectiveness of this program is hampered by significant limitations in their maritime security capabilities. In June 2005, with continued piracy incidents, the Lloyds insurance association declared the Strait as a war-risk zone and shipping companies began regularly employing armed private security operators.<sup>36</sup> Indonesia is strongly opposed to the use of private security operators and is particularly sensitive to claims that it is the “weakest link” among littoral states in terms of maritime security and air surveillance capabilities.<sup>37</sup> Although there has been some success in recent years in reducing incidents of piracy, observers are concerned about Indonesia’s acute lack of resources and the likelihood that it will succumb to “patrol fatigue.”<sup>38</sup>

Since 2001 India has been careful to position itself as a potential benign security provider in the Strait, and to ensure that any naval presence was seen as “non-intrusive, cooperative and benign” by the littoral states.<sup>39</sup> According to one Indian naval officer: “Our role [in the Malacca Strait] is being perceived as that of a responsible nation, which can create a balance in the region. Also, everyone realises

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<sup>36</sup> Although the Strait was removed from Lloyd’s war risk list in August 2006.

<sup>37</sup> See generally, Shafiah Fifi Muhibat, “Competing to Secure the Straits of Malacca and Singapore,” *The Indonesian Quarterly*, Vol.35, No.3 (2007), pp.242-253.

<sup>38</sup> Storey, “Securing Southeast Asia’s Sea Lanes,” at p.120.

<sup>39</sup> *Asia Times*, 19 October 2005.

that India has no ambitions of hegemony.”<sup>40</sup> Since 2004 the Indian navy has participated in coordinated anti-piracy patrols with Indonesia in the area west of the Strait (for further details, see section 3.2.3). In the wake of the RMSI controversy, India publicly distanced itself from the United States. In February 2006, the United States convened a “user-state” conference in California to discuss security of the Strait. The Indians were vocal in opposing what was claimed to be a US unilateralist approach, insisting that any proposal from the meeting must be subject to the unanimous consent of littoral states.<sup>41</sup> At the same time, India has consistently lobbied littoral states for an active role both at the political and military level, including reportedly using the MILAN naval gathering to lobby the Indonesian and other navies for an operational role in the Strait.<sup>42</sup> In June 2006 the Indian Defence Minister Mukherjee reaffirmed India’s offers to provide assistance, but only “subject to the desire of the littoral states.”<sup>43</sup> India supported the proposal by Indonesia and other littoral states for a compulsory pilotage program through the Strait and has also supported other cooperative proposals relating to safety and environmental protection. Singapore Defence Minister Teo Chee Hean stated that Singapore “welcomed” India’s offer to contribute to the security of the Malacca Strait, although “it should be done in a way that littoral states are comfortable with.”<sup>44</sup> There are indications that the United States supports a direct security role for India in the Strait. In 2006, the commander of the US Pacific Fleet, Admiral Roughead, commented that that the United States was “not interested” in patrolling the region, while the Chairman of the US Joint Chiefs of Staff, General Pace, noted that the United States

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<sup>40</sup> Gurpreet S Khurana, “Safeguarding the Malacca Straits,” *IDSA Comment*, 5 January 2005.

<sup>41</sup> Gurpreet S. Khurana, “The Malacca Straits ‘Conundrum’ and India,” in N.S.Sisodia and Sreeradha Datta (eds.), *Changing Security Dynamics in Southeast Asia* (New Delhi: Magnum Books, 2008), pp.125-142 at p.134.

<sup>42</sup> Shiv Aroor, “Centre approves Navy’s Malacca Plan,” *The Indian Express*, 11 January 2006. [www.indianexpress.com](http://www.indianexpress.com).

<sup>43</sup> Government of India press release, 3 June 2006. <[www.pib.nic.in](http://www.pib.nic.in)>.

<sup>44</sup> Bernama (Malaysian News Agency), 3 June 2006.

was “very comfortable with the fact that India has offered its assistance” in providing security in the Strait.<sup>45</sup>

In light of political sensitivities about any perceived internationalisation of the Strait, some have argued for an extended definition of the “Malacca Strait” from the Singapore Strait in the south to the Six Degree Channel in the north that would include Thailand and India as “littoral” states and allow the creation of a composite security system of joint patrols throughout the relevant waters.<sup>46</sup> India has also sought to categorise itself and Thailand as “funnel states” to the Strait of Malacca, thereby justifying a greater status than mere “user” states such as the United States, Japan and China.

There can be little doubt the India’s interest in the Strait is motivated by broad strategic considerations. The official justifications for India’s security interest in the Strait – that is, securing the Strait from threats of piracy and terrorism - hold little water. Not only are these primarily policing rather than military issues, the reported statistics in recent years clearly demonstrate that there is no crisis that requires external intervention.<sup>47</sup> It is evident that India’s interest in the Strait is primarily motivated by a desire to enhance its role as the leading maritime security provider in the Indian Ocean and to control access to the Indian Ocean in case of potential threats from extra-regional powers, particularly China. For its part, China regards risks from the intervention in the Malacca Strait by an external power as far outweighing any risk

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<sup>45</sup> *India Defence* 7 June 2006.

<sup>46</sup> Rajeev Sawhney, “Redefining the limits of the Straits: A Composite Malacca Straits Security System,” *RSIS Commentaries* No. 37, 18 May 2006.

<sup>47</sup> According to official figures, cases of piracy and sea robbery within the Straits of Malacca and Singapore peaked at some 38 reported cases in 2004, falling in recent years to 9 reported cases in 2009. *Annual Report 2009*, (ReCAAP Information Sharing Centre, Singapore, 2009).

of piracy.<sup>48</sup> However, it is possible that China may be prepared to tolerate a limited role for India as an alternative to a US presence. As the Chinese ambassador to India commented in 2005, “Now, geographically, you [India] have access to that area. As far as India is concerned, we don’t have any problem.... But if Americans come and put their battleships there, we might worry about it.”<sup>49</sup> Nevertheless, China may well be encouraging regional friends such as Malaysia to help limit the extent of any Indian presence.

### ***India’s naval ambitions in the Western Pacific***

While a cooperative role for the Indian navy in the region west of the Malacca Strait is now more or less accepted within Southeast Asia, the extension of Indian naval power north into the South China Sea remains more controversial in East Asia. The Indian navy currently identifies the South China Sea as a “secondary area” of interest.<sup>50</sup> While in the 1990s, India was regarded only as of marginal interest in the naval balance in the South China Sea, some claim that India is a potential factor in the naval balance of power as far north as the Taiwan Strait.<sup>51</sup> Mohan believes that India, simply by virtue of its growing economic and military power, will become a significant naval power in the western Pacific with Singapore acting as the “fulcrum” of India’s extended reach into the Pacific.<sup>52</sup> However, to date, Indian naval activity north of Singapore appears to have been more in the nature of demonstrations towards China, driven more by Sino-Indian rivalry in the Indian Ocean, than any intention to project significant naval power into the Western Pacific.

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<sup>48</sup> Hongyi Li, “Security of China’s Energy Imports” in Hongyi Lai (ed.), *Asian Energy Security: the Maritime Dimension* (London: Palgrave MacMillan 2009), pp.49-77.

<sup>49</sup> Gurpreet S. Khurana, “The Malacca Straits ‘Conundrum’ and India.”

<sup>50</sup> Indian Navy, “Freedom to use the seas,” May 2007.

<sup>51</sup> John Daly, “Can the Dragon Swim? The Naval Balance in the Taiwan Strait,” *China Brief*, Vol.4, No.2, 20 January 2004.

<sup>52</sup> Mohan, “Is India an East Asian Power?”

Since the turn of this century, India has been quietly extending its naval power into the South China Sea through regular visits and joint exercises in what has been called “deliberate, significant and maintained long range Indian naval appearances.”<sup>53</sup> The Indians began implementing a “detailed plan” to expand the horizons of Indian naval diplomacy in late 2000, when Indian warships made an extended visit to the South China Sea including port visits to Vietnam, China and the Philippines, and as far north as South Korea and Japan.<sup>54</sup> During 2004, the Indian navy made three separate deployments into South China Sea as part of “Presence-cum-Surveillance Missions” in the Malacca Strait, and in 2005 the Indian aircraft carrier INS Vikraat and task force made a first ever visit to Singapore, Malaysia and Indonesia.

Much of India’s naval activity in the South China Sea has been conducted in conjunction with its two main regional partners, Singapore and Vietnam. As will be seen in chapter 3.3, Indian naval strategists have long recognised the potential role of Vietnam to control the South China Sea and block Chinese naval penetration of the Indian Ocean. However, India has had limited success over the last two decades in building a maritime security relationship with Vietnam. Requests by India to use Vietnam’s Cam Ranh Bay naval base, reportedly made in 1990 and 2000, were turned down by Vietnam and there seems little likelihood that such rights would be granted in the foreseeable future. India has conducted joint naval and coastguard exercises with Vietnam, however, their significance is very limited given the parlous state of Vietnam’s sea-going vessels. As will be seen in chapter 3.1, India has been much more successful in developing a security relationship with Singapore. Since 2005, India has conducted biennial naval exercises with Singapore in the South China Sea (which have

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<sup>53</sup> David Scott, “India’s Drive for a ‘Blue Water’ Navy,” *Journal of Military and Strategic Studies*, Vol.10, Issue 2 (Winter 2007), pp.1-42 at p.33.

<sup>54</sup> Josy Joseph, “Navy Hails Successful South China Sea Visit,” *Rediff on the Net*, 17 October 2000.

been expanded to joint naval and air exercises) and some suggest that India may obtain non-exclusive arrangements for the use of Singapore's Changi Naval Base, just as it is currently used by the United States navy.<sup>55</sup>

At the same time India has sought to demonstrate its ability to project naval power into Northeast Asia, if only symbolically. India has begun periodic exercises with the United States and Japan in Northeast Asia, including the Malabar exercises off Okinawa in April 2009 which focused on ASW, AAW and PSI exercises. In 2009, India also agreed to invite China to participate in future Malabar exercises involving the United States and India in the Western Pacific. China's participation in such exercises would not only be a useful political tool to refute claims that India and the United States are seeking to develop a maritime coalition against China, it may also help legitimise a limited role for India in the western Pacific. India has also (unsuccessfully) sought full membership of the Western Pacific Naval Symposium, a US-sponsored talk shop for East Asian naval chiefs.<sup>56</sup>

However, India's naval aspirations in the South China Sea are viewed with mixed feelings in East Asia, where there is a sense that any Indian naval presence would be primarily motivated by Sino-Indian rivalry in the Indian Ocean rather than reflecting India's legitimate regional interests. It is not at all clear what security role India might have in the South China Sea. Would the primary purpose of any Indian presence be to support ASEAN littoral states against Chinese territorial claims, to protect its SLOCs to Northeast Asia or to project power against China?<sup>57</sup> Although a significant proportion

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<sup>55</sup> C.Raja Mohan , "India's Geopolitics and Southeast Asian Security" in Daljit Singh and Tin Maung Maung (eds.), *Southeast Asian Affairs 2008* (Singapore: Institute of Southeast Asian Studies, 2008), p.49.

<sup>56</sup> According to a senior Indian naval officer, its application was opposed by China. Others believe that India's application was also opposed by the United States.

<sup>57</sup> Some believe that limitations in India's missile delivery technology will compel the deployment of Indian nuclear-powered ballistic missile submarines (when they become

of Indian trade passes through the South China Sea, it currently includes only a small proportion of energy imports (although this will likely grow over time as Sakhalin island oil and gas production increases). In other words, at least for the moment, it is not likely that an Indian naval presence be seen as having any clear rationale.

Further, the projection of Indian naval power north of Singapore will be of limited credibility without logistical support in Southeast Asia, something which is unlikely to be forthcoming in the current security environment. There are significant regional concerns about China's growing military capacity in Southeast Asia (including the new Chinese Sanya Naval Base on Hainan Island) and China's continuing assertiveness over its maritime territorial claims in the South China Sea (including the establishment in November 2007 of an administrative body for the Spratly and Paracel islands). However, ASEAN states have made great efforts in recent years to reduce tensions and engage China in dialogue over the South China Sea territorial disputes. Any naval rivalry between India and China in the South China Sea would likely be seen as bringing further complications to the regional security environment beyond ASEAN's control and adversely affecting its ability to build regional security institutions that include China. China would also likely regard the presence of any Indian surface warships based in Southeast Asia as a major strategic challenge that would affect the whole framework of India-China relations. As a result, while there may be some increase in the tempo of Indian naval visits north of Singapore in coming years, it seems unlikely in the current security environment that there will be a significant increase in Indian naval activity in the South China Sea or the Western Pacific generally.

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operational) into the South China Sea and the Western Pacific in range of China's East Coast. Holmes, *et al*, *Indian Naval Strategy in the 21st Century*, p.155. It is not clear how this would square with India's stated willingness to abide by the Southeast Asian Nuclear Weapons Free Zone treaty.



#### 2.3.4 Proposals for cooperative security arrangements in the Indian Ocean

Some have begun to suggest multilateral security arrangements for the Indian Ocean region as a solution to the Sino-Indian maritime security dilemma. In recent months there has also been some acknowledgement in New Delhi of China's security concerns in the Indian Ocean. In February 2010, the Indian junior Defence Minister, Pallam Raju, suggested that India might provide maritime security to Chinese ships in the Indian Ocean, a proposal to which China has not publicly responded.<sup>58</sup> Shiv Shankar Menon, formerly Foreign Secretary and now National Security Advisor, has taken a more ambitious approach, recently proposing the discussion of "collective security" arrangements among the "major powers concerned in the Indian Ocean" in order to minimise the risk of interstate conflict and threats from piracy and terrorism. Importantly, according to Menon, Indian Ocean security concerns cannot be considered in isolation from the Pacific. He commented that:

*"India's concerns in the north-west Indian Ocean and China's vulnerabilities in the north-east Indian Ocean cannot be solved through military means alone. The issue is not limited just to the Indian Ocean but indeed is one of security of these [energy and trade] flows in areas and seas which affect the choke points.....what is suggested is a real concert of Asian powers, including the USA which has a major maritime presence and interests in Asia, to deal with issues of maritime security in all of Asia's oceans. As Asia becomes more integrated from Suez to the Pacific, none of Asia's seas or oceans can be considered in isolation."*<sup>59</sup>

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<sup>58</sup> "India's surprising but welcome message," *People's Daily*, 23 February 2010. See also the suggestion that India should take a leading role in coordinating maritime participation by China, Singapore and Japan in anti-piracy operations. B.Raman, "Wanted: India-China-Japan-Singapore task force on maritime counter-terrorism," *South Asia Analysis Group*, Paper 3739, 30 March 2010.

<sup>59</sup> Shiv Shankar Menon, "Maritime Imperatives of Indian Foreign Policy," speech to the National Maritime Foundation, New Delhi, 11 September, 2009.

This suggestion, though positioned as “unofficial,” could be a significant step in seeking to resolve the Sino-Indian security dilemma in the Indian Ocean region. The proposal that maritime security concerns in the Indian Ocean region and the Pacific need to be addressed in an integrated manner reflects the significant security interaction between the Indian and Pacific Oceans – with a focus on the Malacca Strait - that has already been discussed in this chapter. Several assumptions are also implicit in the proposal: first, that the Sino-Indian security dilemma in the Indian Ocean cannot be resolved by bilateral means; second, that if a Sino-Indian security dilemma exists in the Indian Ocean it may (or will) also arise in the Pacific, and third, that India would be unlikely to agree to fetter its position in the northeast Indian Ocean without resolving its concerns in the South China Sea and the Western Pacific generally. Such a multilateral arrangement might not only institutionalise a leading maritime security role for India in the Indian Ocean but also a role for India in the Western Pacific. The development of a working concert of major powers with a limited focus on maritime security would also have obvious implications for the broader Asian security order consistent with India’s overall objective of developing a multipolar order.

Given the broader context of Sino-Indian strategic rivalry (which will be discussed in the next chapter) it seems unlikely that there would be any conditions under which China would be prepared to rely on India for its maritime security needs in the Indian Ocean absent an overarching multilateral cooperative security arrangement. Whether China and others including the United States and Japan would be prepared to extend such a multilateral arrangement into the Pacific (including an institutionalised role for India) is another matter.

## **Chapter 2.4 Sino-Indian strategic rivalry and East Asia**

- 2.4.1 The evolution of the relationship in the twentieth century
- 2.4.2 New dimensions of rivalry and cooperation
- 2.4.3 Visions of the future of Sino-Indian relations
- 2.4.4 Political and economic rivalry in Southeast Asia

### **Introduction**

The previous chapter included a discussion of Sino-Indian naval rivalry in the Indian Ocean. This chapter provides an overview of various dimensions of the strategic relationship between India and China, with a particular focus on their strategic rivalry in Southeast Asia.

#### **2.4.1 The evolution of the relationship in the twentieth century**

Despite sharing a long land border, the two great civilisations of India and China have had relatively little political interaction until modern times. The Himalayas has always served as a major geographical barrier and both civilisations were largely inward-looking for much of their history. Many Indians and Chinese have professed a particular incomprehension of the other, particularly in political and strategic affairs. It has been argued that each civilisation holds a particular concept of its own centrality in the world, which contributes to a “blindness” which each country has exhibited towards the other in modern times.<sup>1</sup>

From India’s independence until 1962 one of the primary goals of Indian diplomacy in Asia was to preserve the goodwill and friendship of China. Nehru believed that

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<sup>1</sup> Austin Coates, *China, India and the Ruins of Washington* (New York: The John Day Company, 1972).

notwithstanding ideological differences there were strategic imperatives to develop a good relationship. According to Nehru, India's engagement with China would lead to China's engagement with the region as a whole, mitigating China's expansionist tendencies and drawing it away from its relationship with the Soviet Union. Although Nehru discounted the likelihood of Chinese expansionism in the short term, he was aware of the underlying rivalry between India and China, commenting: "that some day or other these two Asian giants were bound to tread on each others' corns and come into conflict, and that would be a calamity for Asia."<sup>2</sup>

Throughout the first half of the 1950s India offered considerable diplomatic support to the People's Republic of China (PRC), which many then considered a pariah. India was one of the first non-communist states in the world to recognise the Communist Chinese government in 1949 and lobbied hard to give China's seat in the UN to the PRC. As will be discussed in detail in chapter 4.1, in 1951, India unsuccessfully demanded the inclusion of the PRC as a signatory to the peace treaty between Japan and 41 other states (which India also argued should include explicit recognition of PRC's claims to Taiwan), a stance which led to India's refusal to sign the treaty. India sought, with mixed success, to mediate between the PRC and the West during the Korean war and at the 1954 Geneva conference on Indochina. Nehru also insisted on the PRC's participation in the 1955 Bandung conference among newly independent Asian and African states that was later to evolve into the Non-Aligned Movement.

In the early 1950s, both India and China moved to consolidate their positions in the Himalayas: India, through treaties with Bhutan, Nepal and Sikkim; and China, through its occupation of Tibet. Despite conflicting historical claims over the territories, neither China nor India offered significant opposition to the other's actions. In 1954, India formally recognised China's full sovereignty over Tibet in return for China's agreement on the Five Principles of Peaceful Coexistence (known as *Panchsheel*). The mid-1950s

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<sup>2</sup> D.R.Makekar, *The Guilty Men of 1962* (Bombay: Tulsi Shah Enterprises, 1968), p.110.

represented the honeymoon for the India-China strategic relationship, trumpeted by the Indians under the catchphrase "*Hindi-Chini bhai-bhai*" (in Hindi, "India and China are brothers").

The Indians had hoped that India's recognition of Chinese sovereignty over Tibet had addressed China's ambitions in the Himalayas. However, in early 1959, Tibetan resistance to the Chinese takeover turned into open revolt and, despite the strenuous objections of China, India granted political asylum to the Dalai Lama. In 1962, disputes over the McMahon Line, the colonial-era border claimed by India, escalated into full scale conflict. Chinese forces quickly defeated the Indian army and, after occupying significant areas of Indian administered territory, declared a ceasefire and unilaterally withdrew to the current line of control. India's military defeat was a humiliating blow to the credibility of Nehru and his foreign policies and for many established China as a long term threat. The border dispute remains unresolved today and continues to be the most significant obstacle to the improvement in relations between India and China.

The second major historical issue in Sino-Indian relations is China's strategic relationship with Pakistan. China began pursuing this relationship following the 1962 war, establishing itself as a major supplier of arms to Pakistan and effectively acting as its strategic guarantor. The so-called "all weather friendship" with Pakistan (possibly alongside its relationship with the DPRK) is the closest relationship China has to a long-term alliance. Since the 1960s, the China factor has played a significant role in limiting India's strategic options with Pakistan, essentially keeping India strategically pre-occupied in South Asia. The perceived military threat from China and its alliance with Pakistan were the primary motivations for India's security relationship with the Soviet Union, as formalised in their 1971 Friendship Treaty. For much of the remainder of the Cold War, strategic rivalry between the Soviet Union and China and the Soviet veto in the UN Security Council served as an important balance to the China "threat" to India. During the 1980s and 1990s China played a central role in the proliferation of nuclear weapons and missiles to Pakistan. Although some believe that since the end of

the Cold War China has been partially “disinvesting” in the Pakistan security relationship (e.g. through moderating its position on Pakistan’s claims to Kashmir), China’s nuclear proliferation to Pakistan will have a lasting impact on the balance of power in South Asia and is seen by some in New Delhi as China’s second great strategic “betrayal” of India.

The end of the Cold War and the dissolution of the Soviet Union allowed significant improvements in bilateral relations, which had been largely frozen since the 1962 war. While India no longer viewed China as an immediate military threat, the relationship remained an uneasy one. The greatest shift in the relationship occurred as a result of India’s 1998 nuclear tests which formed a turning point in India’s search for great power status. Rather than seeking to justify this move on the basis of an apparent threat from Pakistan, the Indians pointed the finger squarely at China, calling it: “an overt nuclear weapons state on our borders, a state which committed armed aggression against India in 1962.”<sup>3</sup> Many see India’s new status as a declared nuclear weapons state as redefining what Mohan calls the “psychological framework” of India’s relations with China.<sup>4</sup>

#### **2.4.2 New dimensions of rivalry and cooperation**

Although the primary focus for strategic rivalry between India and China remains South Asia, in recent years, the scope of the relationship has extended to cover a much broader geographical area, including Central and West Asia, Southeast Asia and the Indian Ocean region. It has also involved important new dimensions, including an evolving nuclear balance, growing competition in energy security and a rapidly expanding economic relationship. These dimensions involve elements of both conflict and cooperation.

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<sup>3</sup> *The New York Times*, 13 May 1998.

<sup>4</sup> Mohan, *Crossing the Rubicon*, p.149.

### ***The balance of conventional and nuclear forces***

Since the end of the Cold War, and particularly since the maturation of India's nuclear weapons capabilities, India has perceived a reduced military threat from China along the Himalayan border. This has had an important effect in changing the nature and scope of strategic rivalry between India and China. While China's overall conventional military capabilities exceed those of India, many view India as enjoying relative superiority in conventional forces along the Himalayan border in terms of quality of its personnel, training, infrastructure and logistics and superiority in tactical air forces. The terrain also gives significant defensive advantage, meaning that while there is the potential for skirmishes along the border, a large-scale surprise attack in the nature of the 1962 war is viewed as unlikely.

The nuclear balance between India and China, although unequal, has also served to reduce threat perceptions along the border. Overall, China has greater numbers of nuclear devices and significantly better delivery systems, although India is gradually increasing the number of its devices and is developing missile delivery systems that would reach into eastern China. However, India and China, which have both enunciated "no first use" doctrines, are expected, at least in the current security environment, to maintain minimal nuclear deterrents. As a result, Western analysts have suggested that there are no realistic scenarios under which China's nuclear forces would be used to facilitate Chinese aggression against India.<sup>5</sup>

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<sup>5</sup> George Perkovich, "The Nuclear and Security Balance," in Francine R. Frankel and Harry Harding (eds.) *The India-China Relationship: What the United States needs to know* (New York: Columbia University Press, 2004), pp.178-218 at p.189; Ashley Tellis, *India's Emerging Nuclear Posture: between recessed deterrent and ready arsenal* (Santa Monica, CA : Rand, 2001), p.136.

It is arguable that reduced military threat perceptions in the Himalayas have contributed to greater assertiveness by India of its position in the Indian Ocean and Southeast Asia.

### ***Energy security and strategic competition***

Competition in the field of energy security is a significant and growing factor in the India-China relationship.

In coming years, both India and China will have a growing dependence on energy imports, primarily from the Middle East, but also from Northeast Asia, Central Asia, Africa and Australia. In 2007, China imported approximately 55% of its oil requirements (the great majority from the Middle East and Africa) and this is expected to rise significantly. In 2007, India imported approximately 69% of its oil requirements (around 2/3 of which from the Middle East), which is expected to rise to around 75-80% by 2015. China has over the past decade or more taken what has been described as a “diplomatic-mercantilist” approach to securing oil supplies. This has involved a centralised strategy of Chinese state-owned companies taking equity positions in energy resource suppliers, particularly in “rogue” or unstable states such as Sudan, Angola, Venezuela, Thailand and PNG. China has also encouraged extensive cross-investment by major exporting companies in the Chinese energy sector to reinforce long-term ties with suppliers.<sup>6</sup> In contrast, India’s major oil companies (which paradoxically appear to be under closer state control than China’s) have been subject to bureaucratic restrictions that have inhibited their ability to acquire equity oil.<sup>7</sup> As a

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<sup>6</sup> See generally, Bimal Kumar Sikdar and Amitabh Sikdar, *India & China: Strategic Energy Management and Security* (New Delhi: Manas Publications, 2009); and Hongyi Lai (ed.), *Asian Energy Security: the Maritime Dimension* (London: Palgrave MacMillan 2009).

<sup>7</sup> Jeffrey G. Brown, Vijay Mukherji and Kang Wu, “The Energy Race between China and India: Motivations and Potential Opportunities for Cooperation” in *China, India and the United*



result of China's aggressive approach, between 2004 and 2006 Chinese companies outbid Indian companies to acquire major stakes in oil and gas fields in Angola, Kazakhstan, Nigeria and Burma. This prompted an agreement in 2006 between India's ONGC and China's CNPC to make joint bids on projects, leading some to be optimistic about the prospects for Sino-Indian cooperation in the development of supplies, particularly in Iran and Central Asia.<sup>8</sup> However, Tow argues that China's strategy has been to compete with India for control of energy supplies while remaining open to cooperation with India where Indian involvement would be advantageous. He believes that it is unclear to what extent joint collaboration in securing supplies will overcome their legacy of geopolitical competition.<sup>9</sup>

Concerns over energy security have been a prime factor in China and India's increased focus on the security of SLOCs in the Indian Ocean, and particularly the chokepoints in the Straits of Hormuz and Malacca. While approximately 80% of China's oil imports pass through the Strait of Malacca, China is not able to provide SLOC protection there, raising what Chinese President Hu Jiantao referred to as China's "Malacca dilemma". China's concerns about protecting energy supplies is now an important factor in the expansion of its interests in the Indian Ocean region, including the development of the port of Gwadar in Pakistan and proposals to build oil pipelines through Pakistan and Burma.

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*States: Competition for Energy Resources* (Abu Dhabi: The Emirates Centre for Strategic Studies and Research, 2008), pp.223-254.

<sup>8</sup> Amardeep Athwal, *China-India relations : contemporary dynamics* (New York : Routledge, 2007), p.105; and Sudha Mahalingam, "India-China energy cooperation: commonalities, synergies and complementarities" in Ligia Noronha and Anant Sudarshan (eds), *India's Energy Security* (London: Routledge, 2009), pp.97 -107.

<sup>9</sup> William T. Tow, "Strategic dimensions of energy competition in Asia," in Michael Wesley (ed.), *Energy Security in Asia* (London: Routledge, 2008), pp.161-173.

### ***The economic dimension***

In recent years, the Sino-Indian relationship has also developed a significant economic dimension. This has several aspects, including the impact of economic growth on overall national power and the potential impact of the bilateral economic relationship on strategic competition and cooperation.

China's head start in implementing economic reforms and attracting foreign investment has led to a significant disparity between China's and India's GDP, a disparity that seems likely to grow in absolute terms in coming years. Goldman Sachs has projected China's GDP in 2010 to be US\$4,667 billion as compared with India's GDP of US\$1,256 billion, and China's GDP in 2030 to be US\$25,610 billion as compared with India's GDP of US\$6,683 billion. Although India's rate of economic growth is expected to exceed China's from around 2015, China's GDP is still expected to be almost twice the size of India's in 2050.<sup>10</sup> It is apparent that China's political system has been much more successful than India's in driving economic development, although Indian optimists suggest that India's democratic system will deliver stronger economic benefits over the longer term. Nevertheless, for some, the growing disparity in China's and India's economic power will make China an increasing threat to India in coming years.

The opening of China's and India's economies and the global financial crisis has also led to some remarkable increases in Sino-Indian trade. Bilateral trade has grown from US\$117 million in 1987 to US\$51.7 billion in 2008 (up 34% from 2007), making China India's largest trading partner. According to some forecasts bilateral trade is expected to grow as high as US\$100 billion by 2011. Some analysts suggest that rapidly

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<sup>10</sup> Tushar Poddar and Eva Yi, "India's Rising Growth Potential," Goldman Sachs Global Economics Paper No.152. <[www.usindiafriendship.net/viewpoints1/Indias\\_Rising\\_Growth\\_Potential.pdf](http://www.usindiafriendship.net/viewpoints1/Indias_Rising_Growth_Potential.pdf)>

increasing trade between India and China will lead to greater interdependence between them, perhaps moderating tensions and providing an environment for greater strategic cooperation.<sup>11</sup> However, there are major imbalances in the trade relationship. While China's exports are largely manufactures, Indian exports to China are largely low value added commodities. There is also a massive numerical imbalance in China's favour. In the 12 months ended April 2009, exports from China (including Hong Kong) to India aggregated US\$37.74 billion, while India's exports to China (including Hong Kong) were only US\$15.93 billion, leaving a physical trade deficit for India of US\$21.81 billion.<sup>12</sup> There are widely held concerns that India is being flooded with Chinese manufactured goods which will destroy local industries, increasing pressure on the Indian government to institute anti-dumping measures against China. A bilateral free trade agreement has been under negotiation since 2004, although there is reportedly "considerable scepticism" about it in light of these imbalances.<sup>13</sup> Bilateral investment between India and China is negligible, highlighting the shallow nature of the relationship. Actual Chinese foreign direct investment in India between 2000 and 2009 was US\$14 million<sup>14</sup> while approved Indian foreign direct investment in China between 1996 and 2004 was US\$96 million.<sup>15</sup> The economic relationship between India and China may well mature and broaden in coming years, however it is arguable that in some ways the expansion of trade between China and India is currently as much a source of friction as a driver for strategic cooperation.

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<sup>11</sup> See, for example, B.Raman, "China & India: Reality behind statistics," South Asia Analysis Group Paper No.2567, 28 January 2008.

<sup>12</sup> Indian Department of Commerce and Industry. < <http://commerce.nic.in/eidb>>.

<sup>13</sup> Athwal, *China-India relations*, p.88.

<sup>14</sup> Indian Ministry of Commerce and Industry. < <http://commerce.nic.in/eidb>>.

<sup>15</sup> Athwal, *China-India relations*, p.91-2.

### 2.4.3 Visions of the future of Sino-Indian relations

The history of Sino-Indian relations and the new dimensions in their relationship have led to a great deal of uncertainty and debate about the overall trajectory of the relationship. To what extent it will be primarily characterised by cooperation, rivalry or a complex mixture of the two? Mohan believes that the way New Delhi handles ties with Beijing will be the biggest challenge for Indian foreign policy in the coming decades, claiming that all the big issues in India's foreign relations, including its relationship with the United States and Asia are intimately tied to the China relationship.<sup>16</sup> It is worth considering the streams of thinking on China in New Delhi, which might be called the cooperationists, the realists and the pragmatists.

"Cooperationists" see significant potential for a convergence in the views of China and India about a multilateral world order, trade and energy that may overcome historical mistrust. Indian supporters of China include communist and leftist opposition parties who also generally oppose closer strategic relations between India and the United States. Indian sinologists such as Alka Acharya generally take an optimistic view of the relationship, believing that the border dispute can be resolved through mutual goodwill and emphasising the importance of a balanced economic relationship.<sup>17</sup>

In contrast are those who see a fundamental geopolitical divide between India and China as a result of their size and geographic proximity, aggravated by the fact that both are virtually simultaneously rising as major powers. The conflict between China and Indian concepts of national greatness and security are played out as a "geopolitical" conflict centred around the Himalayas and increasingly over a broader geographical area. According to Garver, periods of cooperation have been "brief and

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<sup>16</sup> Mohan, *Crossing the Rubicon*, p.143.

<sup>17</sup> Alka Acharya, *China & India: Politics of Incremental Engagement* (New Delhi: Har-Anand Publications, 2008).

problematic” and conflict is the dominant characteristic of the Sino-Indian relationship. He believes that this would continue to exist even if the immediate issues of the border dispute and China’s relationship with Pakistan were resolved.<sup>18</sup> As was discussed in section 2.2, such thinking underlies a large and growing school of “hyperrealists” in New Delhi who strongly focus on the territorial dispute and China’s “encirclement” strategy in South Asia and the Indian Ocean and advocate a containment-cum-counter-encirclement strategy in East Asia.

However, the dominant view of China in New Delhi is more pragmatic - of recognising that India and China are strategic competitors, while trying to manage their aspirations. According to this view, China is not necessarily a direct military threat, but may pose a potential threat to India’s interests, particularly if it does not acquiesce to the rise of India and the extension of Indian power beyond South Asia.<sup>19</sup> In recent years the Indian government has sought to keep strategic rivalry with China within limits while it builds its national power and asserts its status as a great power. Relations improved for several years following Indian Prime Minister Vajpayee’s 2003 visit to Beijing and a declaration of a strategic partnership between India and China in 2006. However, there are real limits to any rapprochement, as shown by India’s reported rejection of a Chinese request to conclude a “peace and friendship treaty” prior to President Hu’s visit to India in late 2008.<sup>20</sup> India and China have nevertheless sought to place the border issue on the backburner and to focus on encouraging bilateral trade. Both have made periodic gestures of cooperation on security issues including exchanging ship visits and small bilateral exercises. Malik calls India’s current strategic policy toward China as one of “balanced engagement” that steers a

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<sup>18</sup> Garver, *Protracted Contest*, p.6.

<sup>19</sup> Steven A. Hoffman, “Perception and China Policy in India,” in Frankel and Harding, *The India-China Relationship*, pp.33-74.

<sup>20</sup> Mohan, “The Evolution of Sino-Indian Relations,” in Ayres and Mohan, *Power Realignments in Asia*, pp.270-290 at p.288.

path between viewing China as a threat and appeasement and emphasises the need for India to accumulate economic, technological and military power.<sup>21</sup> Frazier argues that both sides have recognised the need to prevent tensions from leading to sustained overt rivalry and that the prevailing pattern of relations has been one of “quiet competition.” However, there is still a real possibility of heightened competition, particularly if a stagnant Indian economy leads India to bind itself closer to the United States, or a sustained downturn in China’s economic performance changes the balance of power between India and China, leading to greater assertiveness by India.<sup>22</sup>

Adding to uncertainties in the relationship is an asymmetry in threat perceptions between India and China - generally high from India’s perspective and low from China’s.<sup>23</sup> Notwithstanding its policy of engagement India remains focused on China as its primary strategic competitor. In contrast, the Chinese do not generally see any strategic equivalence between themselves and the Indians - they perceive themselves as a global power and any comparison with India as demeaning. They see India as weak, divided and an economic catastrophe and lacking in comprehensive national strength, but with “unrealistic and unachievable ‘big power dreams’ (*daguomeng*)”<sup>24</sup>

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<sup>21</sup> Mohan Malik, “Eyeing the Dragon: India’s China Debate” *Asia-Pacific Center for Security Studies*, Special Assessment, December 2003.

<sup>22</sup> Mark W. Frazier, “Quiet Competition and the Future of Sino-Indian Relations” in Frankel and Harding, *The India-China Relationship*, pp.294-318.

<sup>23</sup> John W. Garver, “Asymmetrical Indian and Chinese Threat Perceptions” in Sumit Ganguly, *India as an Emerging Power* (London: Frank Cass, 2003), pp.109 – 134; and Susan L. Shirk, “One-Sided Rivalry: China’s Perceptions and Policies Toward India” in Frankel and Harding, *The India-China Relationship*.

<sup>24</sup> Andrew Scobell, “‘Cult of Defense’ and ‘Big Power Dreams’: The Influence of Strategic Culture on China’s Relationship with India,” in Malcolm R. Chambers (ed.), *South Asia in 2020: Future Strategic Balances and Alliances* (Carlisle: US Army War College, Strategic Studies Institute, 2002), pp.329-359.

According to one commentator: “China perceives India to be an ambitious, overconfident yet militarily powerful neighbour with whom it may eventually have to have a day of reckoning.”<sup>25</sup> China is a long way from accepting that India has any regional “leadership” role and appears to believe that India’s own inadequacies are likely to limit its influence in East Asia.<sup>26</sup> However, both Tellis and Garver argue that the true perceptions of Chinese security managers differ significantly from public statements and Chinese indifference towards India is “feigned” with the objective of delegitimising India’s security concerns.<sup>27</sup> Certainly, over the last several years China has demonstrated increasing concern about developing strategic links between India and the United States, which have been compared by some Chinese analysts to the United States and China finding common cause against the Soviet Union in the early 1970s. Some believe that there may be a hardening of China’s stance on a whole range of issues as India draws closer to the United States and other East Asian maritime powers.

China would no doubt prefer to see a continuation of the long-running strategic divide between the East Asian and South Asian security complexes, seeking to place itself at the core of East Asian security while also continuing to play a major balancing role in South Asia through its relationships with India’s neighbours. However, this divide is breaking down with India’s increasing security engagement in East Asia and it is not yet clear how China will seek to mould that engagement. Some have argued that India and China could each accommodate the other’s great power ambitions through a mutual understanding of each other’s sphere of influence. i.e. India over South Asia

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<sup>25</sup> Gary Klintworth, “Chinese Perspectives on India as a Great Power” in Babbage and Gordon, *India's strategic future*, pp94-106 at p.96.

<sup>26</sup> Shirk, “One-Sided Rivalry.”

<sup>27</sup> Ashley J. Tellis, “China and India in Asia,” in Frankel and Harding, *The India-China Relationship*, at p.143; Garver, “Asymmetrical Indian and Chinese Threat Perceptions,” at p.131.

and China over Southeast Asia. However, there is no indication that either China or India would be willing to accept such an arrangement.

#### **2.4.4 Political and economic rivalry in Southeast Asia**

This section provides an overview of economic and political rivalry between India and China in Southeast Asia, a rivalry which Nehru once called the “basic challenge” of security in the region.<sup>28</sup>

Arguably, for more than a millennium Southeast Asia has been the primary area of (indirect) cultural and economic interaction between India and China or, as some would have it, overlapping spheres of interest. Certainly, the region is fast becoming a key area of economic and political rivalry.<sup>29</sup> There are increasing concerns among Indian policy-makers about the growing economic power of China and the potential for China to dominate the whole Asia-Pacific region and some see India’s Look East policy primarily in terms of a competition by India with China for regional dominance.<sup>30</sup> Tellis believes that of all geographic areas where Sino-Indian rivalry is likely to materialise, Southeast Asia will likely be one of the most important. However, he sees the rivalry as asymmetric in that China has positive objectives in the region, while India’s objectives are largely negative.<sup>31</sup> According to Tellis, India has three broad strategic objectives in Southeast Asia, which are largely aimed at China: first to prevent China from acquiring a forward presence that could threaten the Indian homeland and its freedom of action in South Asia; second to prevent China from gaining sufficient

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<sup>28</sup> Sankar Ghose, *Jawaharlal Nehru, a biography* (New Delhi : Allied Publishers, 1993), p.298.

<sup>29</sup> For discussions of Sino-Indian rivalry in Southeast Asia, see Tellis, “China and India in Asia”; and Zhao Hong, “India and China: rivals or partners in Southeast Asia?” *Contemporary Southeast Asia*, Vol. 29, No. 1 (April 2007), pp. 121-142.

<sup>30</sup> J.Mohan Malik, “Sino-Indian Relations and India’s Eastern Strategy” in Gordon and Henningham, *India Looks East*, pp.119-163.

<sup>31</sup> Tellis, “China and India in Asia.”



regional influence so as to be able to coerce regional states into supporting policies that undercut Indian security; and third to develop strategic relationships with key states that give India freedom to operate in the region, including providing support to regional partners. This thesis will argue that while such “reactive” dynamics in relation to China are important in India’s engagement with Southeast Asia, India’s engagement is also to a significant extent driven by its own “active” search for great power status in the region.

### ***China and India’s economic and political influence in Southeast Asia***

Through much of the Cold War, the political and economic influence of both China and India in Southeast Asia was limited: China was generally seen as an ideological and security threat, while India abstained from assuming a significant role in the region. Since the early 1990s China’s economic and political influence in Southeast Asia has grown markedly and is now regarded within Southeast Asia as a key economic and political partner, albeit one which still needs to be brought fully within the international order. India is now attempting to catch up to China’s position.

China’s policies of economic liberalisation since the late 1970s, combined with its long-standing economic and cultural links with the region has allowed it to develop a major economic role in Southeast Asia, far in excess of India’s (although India’s economic relationship is now growing faster in percentage terms).<sup>32</sup> Bilateral trade between China (excluding Hong Kong) and ASEAN states grew from US\$8 billion in 1993 to

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<sup>32</sup> Some have placed particular significance on the so-called “bamboo networks” of ethnic Chinese that form a significant trading class across Southeast Asia, while Indian ethnic communities in Southeast Asia are either small or do not have significant economic influence.

US\$192 billion in 2008 (an annual increase of 12.5% over 2007).<sup>33</sup> In contrast, bilateral trade between India and ASEAN states grew from \$2 billion in 1993 to US\$47 billion in 2008 (an annual increase of 37% over 2007).<sup>34</sup> The disparity is paralleled in investment relationships, which arguably is a better long-term gauge of economic influence and interdependence than trade. Net FDI from China to ASEAN aggregated US\$5.1 billion between 2000 and 2008 as compared with FDI from India to ASEAN of US\$1.3 billion in the same period.<sup>35</sup> FDI from ASEAN to China aggregated US\$52 billion up to 2008 (mostly in the manufacturing sector),<sup>36</sup> while FDI from ASEAN to India aggregated US\$7.9 billion between 2000 and 2008 (mostly in real estate and services).<sup>37</sup>

China has also successfully developed institutional linkages with the region which will continue to enhance its economic position and potentially complicate India's. During the 1997 Asian financial crisis, China's offer of financial support to Thailand and its pledge not to undertake competitive currency devaluations won it significant goodwill.<sup>38</sup> China signed trade agreements with ASEAN on goods and services in 2004 and 2007. China's approach in giving ASEAN early access to the Chinese market in certain areas as well as concessional tariffs on agricultural items magnified China's image as a benevolent, responsible power.<sup>39</sup> An ASEAN-China free trade area will

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<sup>33</sup> However it is argued that China-ASEAN trade figures are exaggerated because much of China's exports is "processing" trade involving the re-export of goods to which Chinese companies have added little value.

<sup>34</sup> Indian Ministry of Commerce and Industry. < <http://commerce.nic.in/eidb>>.

<sup>35</sup> ASEAN Secretariat. <<http://www.aseansec.org/22122.htm>>.

<sup>36</sup> "China attracts \$52 bln investment from ASEAN," *Xinhua*, 21 October 2008.

<sup>37</sup> Indian Ministry of Commerce and Industry. < <http://commerce.nic.in/eidb>>.

<sup>38</sup> Jürgen Haacke, "Seeking Influence: China's Diplomacy Towards ASEAN after the Asian Crisis," *Asian Perspective*, Vol.26, No.4 (2002), pp.13-52.

<sup>39</sup> Bronson Percival, *The Dragon Looks South: China and Southeast Asia in the New Century* (Westport: Praeger Security International, 2007), p.79.

commence in 2010 (for the 6 original ASEAN states) which will provide for zero-tariffs on around 90% of manufactured products and reduced tariffs on agricultural products. Some argue that this has significant potential to undermine any future multilateral Asia-Pacific free trade area by “dividing and conquering” ASEAN states.<sup>40</sup> China also hopes that the Chinese yuan which is currently largely only used in border trade will grow to play a significant role as a regional currency, partially replacing the current role of the US dollar.<sup>41</sup>

In contrast, India’s political and economic influence in Southeast Asia has grown relatively slowly. Although ASEAN states have generally welcomed India’s participation in various regional fora, India has been relatively slow to develop formal economic linkages with ASEAN. India signed a trade agreement with ASEAN only in August 2009. Negotiations were reportedly hampered by a lack of strategic vision on the part of India and disagreements within the Indian bureaucracy, leading to India’s insistence on extensive exceptions and anti-dumping measures.<sup>42</sup> While India has made significant progress in developing economic links with Singapore, it has had significant problems in negotiating trade agreements with less developed ASEAN members (including potential regional partners such as Vietnam and Indonesia), where the Indian government is under significant domestic pressure to maintain its protectionist policies over the import of agricultural products from Southeast Asia.

In parallel to its economic links, China is developing good political-security relationships in the region. With the end of the Cold War China has actively pursued

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<sup>40</sup> Vincent Wei-cheng Wang, “The Logic of China-ASEAN Free Trade Agreement: Economic Statecraft of “Peaceful Rise”” paper presented at Institute of China Studies University of Malaya conference, 5-6 August 2007.

<sup>41</sup> China-ASEAN FTA to accelerate RMB regionalization” *Peoples Online Daily*, 23 October 2009.

<sup>42</sup> Debashis Chakraborty, “China Factor in India-ASEAN Relations” IPCS China Seminar Report # 273, 15 December 2008.

relations in Southeast Asia, at both bilateral and multilateral levels, moving past its previous distrust of multilateral institutions. China now participates in numerous regional arrangements including the ARF from 1994, as ASEAN Dialogue Partner from 1996, and ASEAN + 3 from 1997, which China has sought to position as the main “vehicle” for Asian economic integration. ASEAN + 3 has become institutionalised to a significant degree, with 57 bodies now implementing ASEAN + 3 coordination over an increasing range of political, security and economic issues.<sup>43</sup>

The greatest irritant in China-ASEAN relations remains China’s claims over much of the South China Sea, a maritime area far removed from the China mainland, resulting in territorial disputes with six ASEAN states. China and ASEAN were able to significantly reduce tensions over the South China Sea through the multilateral 2002 Declaration on the Conduct of Parties in the South China Sea and China’s accession to the ASEAN Treaty of Amity in October 2003. In December 2004, ASEAN and China announced a 5 year Plan of Action to implement a China-ASEAN Strategic Partnership , focused heavily on defence and security cooperation, including confidence building measures, consultation and joint exercises. At the same time, China has also pursued bilateral security dialogues with Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. However, despite significant progress in developing cooperative security relationships, China’s periodic actions to bolster its territorial claims in the South China Sea continues to raise concerns in the region, as does China’s military modernisation and capacity building.

While building relations with the region, China has sometimes obstructed the development of India’s role. In the late 1990s, China refused to allow India into the ASEAN + 3 grouping, apparently seeking to create an “inner circle” of East Asian states in a close relationship with ASEAN that China hopes to eventually dominate. As a result, India was forced into a separate summit meeting with ASEAN. In 2005, China

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<sup>43</sup> <<http://www.aseansec.org/16580.htm>>.

also sought, unsuccessfully, to exclude India from participation in the East Asia Summit. During the Summit China led moves to cast India as an “outsider” and place it in the back seat in developing any future East Asian economic grouping which would be “driven” by ASEAN within the “vehicle” of ASEAN + 3.<sup>44</sup> As Chinese Premier Wen Jiabao claimed, the East Asian Summit “should be led only by East Asian countries.” While China has sometimes obstructed an enhanced role for India in Southeast Asia, it has not generally seen India as an impediment to its overall regional strategy.<sup>45</sup> China’s main regional rivals remain the United States and Japan whose economic (and, in the case of the United States, also political) influence exceed China’s by a considerable margin. Some believe that in the future China may see benefit in cooperation with India in Southeast Asia to help balance the overwhelming influence and unilateralism of the United States and contribute to a multipolar Asia Pacific.<sup>46</sup>

India is highly sensitive to China’s overwhelming advantage in any competition for influence in Southeast Asia, leading it to downplay any suggestions of rivalry in the region. Former Indian foreign ministry secretary, Sudhir Devare warned that: “India does not and should not seek closer military ties with Southeast Asia as a bulwark against China or Pakistan” and that such an approach would be “flawed conceptually as well as disastrous politically.”<sup>47</sup> According to Mohan, despite the “exaggerated debate “about India’s rivalry with China, New Delhi is acutely conscious of its

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<sup>44</sup> J. Mohan Malik, “China and the East Asian Summit: More Discord than Accord,” Asia-Pacific Center for Security Studies, February 2006. <[www.apcss.org/Publications/APSSS/ChinaandEastAsiaSummit.pdf](http://www.apcss.org/Publications/APSSS/ChinaandEastAsiaSummit.pdf)>.

<sup>45</sup> Percival, *The Dragon Looks South*, p.14.

<sup>46</sup> Zhang Guihong, “US-India Strategic Cooperation: Implications for China” Paper submitted to The Asia Fellow China Alumni Conference, 13-14 November 2005, Beijing University, China; and Zhao Hong, “India’s Changing Relations with ASEAN in China’s Perspective,” East Asia Institute Background Paper No.313, 7 December 2006 and D.S.Rajan, “Is China wary of India’s “Look East” policy?” *Chennai Centre for China Studies* Paper No.97, January 13, 2008. .

<sup>47</sup> Devare, *India and Southeast Asia*, p.211.

limitations in Southeast Asia and therefore wishes to expand India's strategic weight in the region while avoiding creating overt rivalry with China.<sup>48</sup> India will therefore attempt to build security ties with Southeast Asia outside of the matrix of Sino-Indian rivalry.<sup>49</sup>

### ***ASEAN perspectives on Sino-Indian rivalry***

ASEAN states are likely to respond to Sino-Indian strategic rivalry in several ways. First, and most obviously, is in the economic dimension. As Indonesian President Yudhoyono commented in 2004, the economic challenge for ASEAN can be described in two words: China and India.<sup>50</sup> While there are concerns about China and India in terms of potentially crowding out ASEAN's share of global trade and investment, ASEAN leaders generally see economic competition between China and India within Southeast Asia in positive terms, and in particular will continue to use it as an opportunity to encourage Indian economic integration into ASEAN and to open the Indian market to Southeast Asian products and investment. Singapore Prime Minister Go Chok Tong described ASEAN as the fuselage of economic jumbo jet with China and India being the wings. This picture of course places Singapore and other ASEAN states in the (highly profitable) centre, between the Chinese and Indian economies.

Second, the ASEAN states and India will have a common interest in seeking to limit the growth of China's political and military power in Southeast Asia. India is generally seen in Southeast Asia in benign terms, in contrast to which China is still regarded by many as a potential security threat whose power needs to be balanced. As a result, ASEAN has facilitated India's links with the region to help balance China (as well as the United

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<sup>48</sup> C.Raja Mohan, "India's Geopolitics and Southeast Asian Security" in Singh and Maung, *Southeast Asian Affairs 2008*, p.53.

<sup>49</sup> Mohan, "Is India an East Asian power?"

<sup>50</sup> "Faster ASEAN integration urged," *International Herald Tribune*, 29 November 2004.

States and Japan). As will be seen in section 3.1, this should not be seen as an attempt to create a balancing coalition in a neorealist sense. Rather, it is an attempt to enmesh both China and India in a web of cooperative relationships while using each to limit the power of the other.

Third, ASEAN states will likely try to mitigate any overt rivalry between India and China in and around the region. While many ASEAN states are encouraging India to play a greater security role in Southeast Asia, absent a significant change in the security environment they will also want any Indian security presence to be discreet. For the same reasons, although ASEAN states (particularly Singapore, Indonesia and Malaysia) have avoided criticising China's interests in the Indian Ocean they are likely to encourage China to be discreet in developing such interests.

Fourth, is the potential for ASEAN to use Sino-Indian rivalry to maintain and enhance its own strategic influence. ASEAN's role in future regional security arrangements is unclear particularly in light of perceived inadequacies in the effectiveness of the ASEAN Regional Forum. Some believe that India now has an important stake in the continued relevance of ASEAN in countering domination of the region by the United States or China.<sup>51</sup> Arguably, ongoing strategic rivalry between India and China may lead them both to seek to deepen relationships with ASEAN, reducing the likelihood of its marginalisation.

Finally, is the potential for Sino-Indian rivalry to be a factor in intra-regional relations in Southeast Asia. During the Cold War, links with extra-regional powers such as the Soviet Union, China and the United States were significant factors in stoking intra-regional tensions. It is already possible to discern Sino-Indian rivalry along potential fault lines within ASEAN: in Indochina between Cambodia (traditionally sponsored by

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<sup>51</sup> Sinderpal Singh and Syeda Sana Rahman, "The Next Stage of Singapore-India Relations: Possibilities and Prospects," ISAS Working Paper No.91, 24 September 2009, pp.12-13.

China) and Vietnam (a longstanding political ally of India); and in maritime Southeast Asia between, on the one hand, Malaysia (China's most vocal supporter in the region) and, on the other, Singapore (India's primary regional partner) and Indonesia. India and China could therefore become significant factors in existing intra-regional rivalries to the extent that ASEAN is not able to effectively manage tensions within a regional framework.



### **Part 3 - India's strategic engagement with middle powers in East Asia**

This part will make a detailed examination of India's strategic relationships with key middle powers of East Asia. **Chapter 3.1** will examine India's comprehensive strategic partnership with Singapore. **Chapter 3.2** will review the development of India's security relationship with Indonesia, particularly in the maritime security sphere. **Chapter 3.3** will look at India's attempts to develop its long-standing political alliance with Vietnam into a broader security relationship and **chapter 3.4** will consider India's relationship with South Korea.

The key themes that will be examined in this part are:

- The pattern of India's strategic engagement with Southeast Asia since the end of the Cold War.
- Southeast Asian ideas of what constitutes a balance of power and India's potential role in that balance.
- India's potential role as a maritime security provider in Southeast Asia and its particular interest in the security of the Malacca Strait.
- The potential limitations on a security role for India in the South China Sea and in Northeast Asia.

## **Chapter 3.1 India's Strategic Partnership with Singapore**

- 3.1.1 India's hesitant strategic role in Southeast Asia
- 3.1.2 The new economic partnership between India and Singapore
- 3.1.3 The new security partnership between India and Singapore
- 3.1.4 Cooperation in maritime security
- 3.1.5 Singaporean perspectives on India
- 3.1.6 Indian perspectives on Singapore

### **Introduction**

India and Singapore have developed a bilateral security and economic partnership that occupies a central position in India's strategic engagement in Southeast Asia. Having sought strategic engagement with India for many decades, Singapore has now successfully positioned itself as India's leading political partner and economic gateway to the region. The two have also actively pursued close defence ties which may lead to India assuming an active role in Singapore's security.<sup>1</sup>

This chapter will examine these developments and consider to what extent the relationship involves balancing China's growing economic and political dominance of the region and to what extent it reflects a return to a "natural" strategic sphere for India stretching from Aden to Singapore and beyond. Singapore, despite its small size, may well act as a pivot to the future development of India's security role throughout Southeast Asia.

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<sup>1</sup> See generally, David Brewster, "India's Security Partnership with Singapore," *The Pacific Review*, Vol. 22, No. 5 (December 2009), pp. 597 – 618.

### 3.1.1 India's hesitant strategic role in Southeast Asia

The institutional links between Singapore and India are as old as Singapore itself. Singapore was founded by the British East India Company as a trading post for China trade. For almost the first 50 years of its settlement Singapore was under the direct administration of British India and to a great extent Singapore inherited its political, legal and administrative systems from the Raj – it was under the authority of the Indian legislative council, the jurisdiction of the Supreme Court of Calcutta and its civil service was established by the Indian civil service. Even after Singapore was placed under separate colonial control it was assumed that British India would be primarily responsible for its security. This reflected not only the availability of Indian colonial forces, but also a broadly held acceptance prior to World War II that the “natural” strategic sphere of British India ran to Singapore and beyond. Leading strategic thinkers from Lord Curzon to K.M.Panikkar recognised the strategic importance of Singapore to India as the eastern anchor of India's maritime security and that India – whether British-controlled or independent – would be a principal security provider to Singapore.<sup>2</sup>

The importance of Singapore as the eastern anchor to India's maritime security was played out with the fall of Singapore to the Japanese in February 1942 involving the surrender of some 40,000 Indian troops. This was followed by the capture of India's Andaman Islands and the evacuation of the British Eastern fleet to Africa, exposing India's entire eastern seaboard to attack. However the Japanese were for various reasons unwilling or unable to properly exploit their position.

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<sup>2</sup> Lord Curzon of Kedleston, *The Place of India in the Empire* (London: John Murray, 1909). Panikkar proposed that in the long term, independent India and Indonesia, as the local sea powers, would need to take joint responsibility for the security of Singapore. Panikkar, *The Future of Southeast Asia* at pp.100-1.

The granting of independence to India in 1947 and the subsequent decolonisation of Southeast Asia led to a significant discontinuity in Indian perceptions of the region. Nehruvian strategic doctrine largely eschewed a direct security role for India outside of South Asia and India saw its interests as limited to making generally ineffective efforts to minimise the intrusion of other major powers into Southeast Asia. Despite India's abdication of any strategic responsibility and its tarnished reputation following its defeat at the hands of China in 1962, Singapore continued to recognise a legitimate role for India as a regional security provider.

In what has been called Singapore's "survival phase" in the years following independence, Singapore saw itself as being in a precarious strategic position, concerned not only with the prospect of Communist Chinese-supported internal subversion, but also with external threats posed by Indonesia and a potentially revanchist Malaysia. Singapore saw India as potentially helping to maintain its new-found sovereignty against infringements by China as well as its large neighbours. Within minutes of Lee Kuan Yew's declaration of independence on 9 August 1965, in what was probably his first act as leader of an independent Singapore, Lee wrote to Indian Prime Minister Shastri requesting Indian assistance in training the newly-established Singaporean army. However, the Indians declined to even respond to the request, apparently not wishing to be seen as taking sides against Malaysia.<sup>3</sup> (The United States, Britain and Egypt also reportedly declined Singapore requests for assistance in military training, leading Singapore to turn to Israel for military advisors.) In the following years, Lee continued, unsuccessfully, to lobby New Delhi to involve itself in Singapore's security, with the idea that India would in some way take over Britain's role as a "protecting" power. Lee believed that India's presence was

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<sup>3</sup> It has also been suggested that India, then seeking to consolidate its position in Bhutan, believed that military support for Singapore would unduly antagonize China. Lee, *From Third World to First*, pp.30-1.

necessary to deter Malaysia's plans to continue to control Singapore after independence and to guarantee against Indonesia going "berserk." At the same time, Malaysia actively campaigned in New Delhi against India extending its relationship with Singapore, with Malaysian Prime Minister Tunku Abdul Rahman arguing to Indira Gandhi that India should not "do anything to hurt Malaysia."<sup>4</sup>

In May 1968, following the announcement of the withdrawal of the British navy from Singapore, Lee again unsuccessfully tried to encourage an Indian military presence in Singapore, proposing to Indira Gandhi that the Indian navy should take over the Royal Navy's regional security role, including making use of Singaporean naval dockyard facilities for the building and repair of ships.<sup>5</sup> When, during a visit to India in 1970, Lee asked Indira Gandhi whether India intended to extend its naval influence into Southeast Asia, the Indian Foreign Minister Swaran Singh responded that India's greater interest was in keeping its western sea lanes open.<sup>6</sup>

Singapore also unsuccessfully sought to persuade India to assume a broad regional security role, primarily but not wholly to counterbalance China. Following the first Chinese Lop Nur nuclear test in October 1964 – even before Singapore's formal independence – Lee reportedly suggested to visiting Indian dignitaries and journalists that India should also explode a nuclear bomb, "at least for the sake of Southeast Asia, even if she wanted to throw it into the sea later."<sup>7</sup> Through the late 1960's, Singapore's leaders were concerned about the possibility of a regional power vacuum

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<sup>4</sup> Sunanda K. Datta-Ray, *Looking East to Look West: Lee Kuan Yew's Mission India* (Singapore: ISEAS Publishing, 2009), p.87.

<sup>5</sup> Dr V. Suryanarayan, "India-Singapore Relations: An Over View" Chennai Centre for China Studies, C3S Paper No.140, 2 April, 2008.

<sup>6</sup> Lee, *From Third World to First*, at p.452.

<sup>7</sup> V.P.Dutt, *India's Foreign Policy* (New Delhi: Vikas), at p.256. Lee later denied making this statement although admitting that at the time he "was quite confident that India would have the bomb." Datta-Ray, *Looking East to Look West*, p.98.

following the British withdrawal and the likely reduction in the US military presence following a wind-down of the Vietnam war. In 1966, Lee proposed that India should adopt an "Asian Monroe Doctrine" to prevent "poaching" in Asia. Lee added that India was the ideal candidate to fulfil such a role because it conducted its foreign policy "on a basis of equality and not on a basis of power relations."<sup>8</sup> He told Indira Gandhi during his 1966 visit to New Delhi that India should consider taking a leading role in multilateral security arrangements for Asia.<sup>9</sup> The Indians however again declined to make any official response to Lee's proposal. Singapore also reportedly tried to encourage India to join ASEAN upon its formation in 1967, perhaps with a view to finding a balance with large states within that grouping. However, other ASEAN states were not in favour of India's inclusion (possibly for the same reason) and India also remained suspicious of a possible security dimension to ASEAN.<sup>10</sup>

India's opposition to involvement in any regional security mechanism puzzled the Singaporeans and others in Southeast Asia,<sup>11</sup> particularly in light of shared perceptions of a threat from China. To Southeast Asians, India's persistent downplaying of any idea of a power vacuum and statements about the uselessness of military alliances seemed callous, incredible and unrealistic.<sup>12</sup> Lee reportedly told friends that India was "living in a dream world."<sup>13</sup> The Indians however opposed security alliances or treaties *a priori* as part of Nehruvian strategic doctrine. There were also important differences in

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<sup>8</sup> *Straits Times*, 3 September 1966

<sup>9</sup> Dutt, *India's Foreign Policy* at p.277-8.

<sup>10</sup> Kripa Sridharan, *The ASEAN Region in India's Foreign Policy* (Aldershot: Dartmouth Publishing, 1996), p.49.

<sup>11</sup> Malaysia also sought to persuade the Indians to join in the collective defense of Asia, proposing an "association" between India and Japan as the two major non-communist powers in Asia.

<sup>12</sup> Kripa Sridharan, "Regional Perceptions of India" in Grare and Mattoo, *India and ASEAN*, pp.67-89 at p.74.

<sup>13</sup> Quoted in Sridharan, *The ASEAN Region in India's Foreign Policy*, p.40.

perceptions of the ideological or military threat posed by China – the Singaporeans saw Chinese expansionism primarily as an issue of communist subversion, while the Indians saw Chinese expansionism not primarily as an ideological issue but as a distortion of Chinese nationalism. The Indians also saw themselves as hardly capable of providing for their own security, let alone acting as a regional security provider. As the junior Indian Foreign Minister, B.R.Bhagat, argued in the Indian parliament in April 1968: “If there was a defence agreement [with Southeast Asia] it would only mean India committing her manpower to the defence of areas which is beyond our capacity at present... If we dispersed our efforts and took on responsibilities that we are not capable of shouldering, it would not only weaken our own defence but would create a false sense of security and might even provoke a greater tension in the area.”<sup>14</sup> Rather than working directly with Southeast Asian states to improve their security, India confined its efforts to the half-hearted endorsement of proposals for major power security guarantees of the region, such as the vague and unworkable Soviet collective regional security proposal made in 1969.

The Singaporeans began to conclude that India did not have the material or moral wherewithal to extend its influence into Southeast Asia. Lee observed what he called a “gradual run-down of the country.” By the end of the 1960s, India was moving towards a security relationship with the Soviet Union, leading India to lose whatever interest it may have had in the security of Southeast Asia, that is, apart from a keen interest in limiting the influence of the United States and China in Indochina. During this period, the balance of Singapore's strategic and economic interests also shifted away from the Indian Ocean and towards the Asia-Pacific and the United States.<sup>15</sup>

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<sup>14</sup> Indian Parliament, Lok Sabha debates, 1968.

<sup>15</sup> See generally, Emrys Chew, “A Merlion at the Edge of an Afrasian Sea: Singapore's Strategic Involvement in the Indian Ocean” *RSIS Working Paper* No. 164 (2008).

It was Indira Gandhi's refusal in 1980 to oppose what Singaporeans saw as aggression by the Soviets and their proxies in the region that brought Singapore-India relations to their lowest point. Through the 1970s, New Delhi's burgeoning relationships with Moscow and its regional ally, Vietnam, were viewed with suspicion in Southeast Asia, which came to a head with the Vietnamese invasion of Cambodia. In a major diplomatic misstep, in June 1980 the Gandhi government cancelled planned meetings with ASEAN ministers to discuss India's elevation as a full dialogue partner of ASEAN. Days later, India officially recognised the Vietnam-installed Cambodian government, becoming the first non-communist state to recognise the regime. India's action was interpreted as proof of it toeing the Moscow-Hanoi line. Whether this was true or if, as some claim, India was primarily concerned with resisting Chinese influence in Indochina, India was not able to convince the ASEAN states that China represented a greater threat than Vietnam. The Singaporeans, in particular, took a hardline stand on the Vietnamese actions, seeing them as a major test of the principle of sovereignty of small states, even if run by a despised regime such as the Khmer Rouge. Singapore's Foreign Minister S.Rajaratnam observed that India's recognition of the Vietnam-backed Heng Samrin regime would "amount to endorsing aggression and forcible installation of puppet regimes."<sup>16</sup> Lee was even advised at one stage to break off diplomatic relations with India over the issue.<sup>17</sup> For their part, Indian policy-makers viewed Singapore's stance on Cambodia as not based on real fears of Vietnamese expansionism, but as merely playing an anti-Soviet card to curry favour with the United States. India's continuing support for Vietnam and its failure to condemn the Soviet occupation of Afghanistan would bedevil political relations between India and Singapore and other ASEAN states for the remainder of the 1980s. In 1990 Singaporean Prime Minister Goh Chok Tong publicly questioned India's intentions in Southeast Asia following reports of India's naval expansion plans. However, notwithstanding political strains, military to military contact between the Indian and

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<sup>16</sup> Sridharan, *The ASEAN Region in India's Foreign Policy*, p.140.

<sup>17</sup> P.S.Suryanarayan, "India, Malaysia step up defence ties" *The Hindu*, 8 January 2008



Singaporean armed forces continued through the 1980s, including high level visits by Indian and Singaporean officers, the provision of training to Singapore by Indian air force instructors (in both India and Singapore), and the supply by Singapore of missile gunboats to India.

As has been discussed in section 2.1, the end of the Cold War and India's economic crisis of the early 1990s led to a major reassessment by India of its political and economic relationship with Southeast Asia. Although India's "Look East" policy, initially targeted Southeast Asian investment in India, India also made it clear that it sought security engagement with the region. Singapore, unlike Malaysia and Indonesia, was unencumbered by Islamic political loyalties and represented an attractive political and economic gateway for India into ASEAN. Singapore, which itself was undergoing somewhat of a foreign policy reorientation, responded to India's new policy with enthusiasm. Despite fears in the early 1990s that a superpower withdrawal from the region might lead to unhealthy rivalry between Japan, China and India, Singapore had concluded by 1993 that India's strategic presence in Southeast Asia would, as it said, "help stabilize the region by counterbalancing the other political heavyweights."<sup>18</sup> Singapore was concerned not only about a more assertive China (which in 1992 claimed much of the South China Sea as Chinese territory), but also by the modernisation of the Malaysian and Indonesian armed forces and fears of the possible formation of a Kuala Lumpur-Jakarta political axis directed against it.<sup>19</sup> At

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<sup>18</sup> As stated by the current Foreign Minister, George Yeo, while on a visit to India in 1993. See Kripa Sridharan, "Transcending the Region: Singapore's India Policy" in N.N.Vohra (ed.), *Emerging Asia: Challenges for India and Singapore*, (New Delhi: Manohar, 2003) pp.15-32 at p.21.

<sup>19</sup> Escalating tensions between Singapore and Malaysia over security-related issues from the late 1980s included a large scale military exercise by Malaysia and Indonesia in the adjacent Malaysian state of Johor in August 1991, culminating on Singapore's National Independence day. Singapore responded with a large scale military mobilisation. Serious political tensions

about the same time, the Singapore government also concluded that for its relatively mature economy to develop further in spite of its severely limited size and resources, it needed to create an “external economy” within the region as a “second wing” to its onshore economy.<sup>20</sup> India, with its large labour force and relatively undeveloped markets, was identified as a key target for the development of an external economy for Singapore.

Singapore quickly positioned itself as India's *de facto* regional sponsor and became central to India's multilateral engagement in Southeast Asia. With the support of Singapore and Indonesia, India was soon elevated to be a full ASEAN dialogue partner in December 1995 and following Singapore's hard lobbying of reluctant ASEAN members, India joined the ASEAN Regional Forum in 1996. India's entry into the ARF reportedly involved a significant diplomatic effort by Singapore to overcome fears of importing the India-Pakistan dispute into the forum, the grounds on which India's membership had previously been rejected in 1993.<sup>21</sup> When India was refused membership in the ASEAN + 3 grouping in 2000, Singapore successfully lobbied for a separate India-ASEAN summit, which was held in November 2002.<sup>22</sup> In 2005, Singapore (along with Indonesia, Japan and others) supported the inclusion of India in the first East Asian Summit, with Lee arguing that it “would be a useful balance to China's heft.”<sup>23</sup> Unsurprisingly, Lee also supported the inclusion of India in any Asian Economic Community, arguing that it would help “expand the market” and lead to

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with Malaysia continued through the 1990s. Timothy Huxley, *Defending the Lion City: the Armed Forces of Singapore* (St Leonards: Allen & Unwin, 2000) p.46.

<sup>20</sup> Arun Mahizhnan, “Developing Singapore's External Economy,” *Southeast Asian Affairs* Vol.21 (1994), pp.285-301.

<sup>21</sup> Kripa Sridharan, “Regional Perceptions of India” at p.76.

<sup>22</sup> Malaysia, Thailand and Philippines reportedly opposed it despite Singapore's energetic advocacy. Sridharan, “Transcending the Region: Singapore's India Policy” at pp.28-9.

<sup>23</sup> “Lee Kuan Yew Reflects” *Time Asia*, 5 December, 2005.

“more specialisation and division of labour.”<sup>24</sup> While acting as India's regional sponsor, Singapore also worked hard to develop the bilateral relationship. Despite scepticism among many ASEAN partners about the ability of India to deliver economic development comparable to China, the Singaporeans have shown considerable tolerance of and patience with Indian systemic problems, seeking in many cases to bypass New Delhi and work directly with Indian state authorities, while nudging the centre towards economic and institutional reform.<sup>25</sup>

### **3.1.2 The new economic partnership between India and Singapore**

Economics plays a primary role in most of Singapore's bilateral relationships, and Singapore's relationship with India is no different. Although Singapore plays an important role as an economic gateway between China and Southeast Asia, in many ways India represents a greater opportunity. In contrast to China, which has the benefit of longstanding direct trading links with many Southeast Asian economies (including through the large Chinese ethnic communities in many states), India's direct economic ties with the region are much less established. As well as acting as India's gateway to Southeast Asia, the Singaporeans also believe that they can become a trade and financial intermediary between India and China.<sup>26</sup> More generally, they believe they can assist in India's development as an “economic balancer” to China. As Prime Minister Goh Chok Tong explained in 2004: “We see Singapore as being lifted by two economies. I visualize ASEAN as a fuselage of a jumbo plane with China as one wing, and India the other wing. If both wings take off, ASEAN as the fuselage will also

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<sup>24</sup> Interestingly, Lee went further than the Indian proposal and suggested the inclusion also of Sri Lanka and Pakistan in such a grouping. P.S. Suryanarayana, “A Vision for Asia” *Frontline*, Vol.22 Issue 1, 1-14 January, 2005.

<sup>25</sup> Nirmal Gosh, “India govt ‘should try to change its mindset” *Straits Times*, 20 January 2000.

<sup>26</sup> George Yeo, Address to the Global Leadership Forum in Kuala Lumpur, 6 September, 2005.

be lifted.”<sup>27</sup> Singaporean Minister of Trade and Industry (now Foreign Minister), George Yeo, went further than this, claiming that Singapore could be to India what Hong Kong is to China.<sup>28</sup>

Singapore has aggressively pursued economic ties with India since the opening of the Indian economy and the announcement of its Look East policy in Singapore in the early 1990s. Singapore has now become the largest investor in India among ASEAN states and in 2006/07 the third largest foreign investor in India overall. In 2007, Singapore FDI in India aggregated US\$2.9 billion for the year, much of it in the infrastructure sector, including ports and roads, while cumulative Indian FDI in Singapore aggregated US\$8.8 billion. Bilateral trade has grown from US\$2.34 billion in 2000/01 to US\$11.49 billion in 2006/07 (with the balance of trade in India's favour). By some (perhaps optimistic) estimates it could reach US\$50 billion by 2010.<sup>29</sup> Nevertheless, Singapore-India bilateral trade is a fraction of Singapore-China trade and is likely to remain so for some time.

In June 2005, India and Singapore signed an extremely broad-ranging Comprehensive Economic Cooperation Agreement, the first such arrangement India has entered into with a developed country. The CECA is unusually comprehensive, covering not just trade in goods, but also services, investment and tax. It provided for significant tariff reductions on goods covering approximately 80% of Singapore's exports to India and for Indian exports to Singapore tariff free - thereby promoting Singapore's role as a logistics hub for the export of Indian goods to Asia and the United States. However, the most significant aspects of the CECA are its treatment of services, investment and tax. It provides for removal of many restrictions on services, something of particular

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<sup>27</sup> Latif, *Between Rising Powers: China, Singapore and India*, p.274.

<sup>28</sup> George Yeo, Speech in New Delhi, 18 February 2004.

<sup>29</sup> Amitav Acharya, *Singapore's foreign policy: the search for regional order* (New Jersey: World Scientific, 2008).

significance for India with its large number of well-trained English speakers. The CECA also extends to financial services, giving specified Singaporean banks unrestricted access to the Indian market (and Indian banks to the Singaporean market) and provides special arrangements for Singaporean companies (and in particular the Singapore state-controlled investment companies, Temasek and GIC) to invest in India. The significance of the tax treaty arrangements should also not be underestimated, providing special concessions to Singaporean companies which place Singapore on par with Mauritius and Cyprus, historically the two primary gateways for foreign investment into India. As a result of the CECA, more than 2,800 Indian-owned companies now operate out of Singapore.<sup>30</sup> In aggregate, the CECA gives Singapore a gateway role with respect to India – particularly in relation to financial services and investment - that it could never realistically hope to achieve with China. The China-Singapore Free Trade Agreement, which was signed only in October 2008, is significantly more limited in scope. The Singaporeans certainly have high hopes for the CECA as a key element in India's regional economic integration and Prime Minister Goh Chok Tong suggested that the agreement would eventually lead to an Asian Economic Community linking South Asia, Southeast Asia and Northeast Asia.<sup>31</sup>

The India-Singapore economic agreement also stands in contrast with the slower progress on India's other regional free trade arrangements. Whereas the clear complementarities in the Indian and Singaporean economies have assisted in the creation of economic links, the negotiation of free trading arrangements including other ASEAN states is hampered by greater competition in low-end manufacturing and agriculture. For this reason, the multilateral ASEAN-India Free Trade Agreement, signed in August 2009, is much narrower than the CECA, excluding important

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<sup>30</sup> Pranav Kumar, "Singapore as a gateway for Indian companies," Institute of Peace and Conflict Studies, Paper No.2593, 10 June 2008.

<sup>31</sup> Nagesh Kumar, "Regionalism with an 'Asian Face': An Agenda for the East Asia Summit" *RSIS Policy Briefs* No.28, October 2006.

manufacturing sectors such as textiles, chemicals, automobiles and steel, as well as agricultural products and services. If anything, its limited scope may well reinforce Singapore's role as India's economic gateway in Southeast Asia.

### **3.1.3 The new security partnership between India and Singapore**

The development of bilateral security links between Singapore and India since the end of the Cold War have paralleled - and in some respects preceded - growth in the economic relationship. Indian Prime Minister P.V.Narasimha Rao raised the prospect of substantial defence cooperation with Singapore's Prime Minister Goh Chok Tong as early as September 1992, which led to annual bilateral naval exercises from 1993.<sup>32</sup>

From around the turn of the century, in what has been called the second phase of its Look East Policy, India has become more proactive in developing the security relationship. In October 2003, Singapore and India entered into a defence cooperation agreement providing for comprehensive annual defence policy dialogues between defence secretaries; joint exercises; intelligence sharing; and cooperation in defence technology. This facilitated extensive and broad-based defence cooperation. Intelligence cooperation was formalised through the establishment in 2003 of a Joint Working Group for Intelligence Cooperation on Combating Terrorism and Transnational Crime and cooperation in defence technology was formalised through the establishment in 2006 of a Defence Technology Steering Committee. India has become the largest recipient of Singapore arms exports and further large deals may be in the pipeline.<sup>33</sup>

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<sup>32</sup> S.D. Muni, "India and Singapore: Bilateral Issues," in N.N.Vohra (ed.), *Emerging Asia: Challenges for India and Singapore* (New Delhi: Manohar Publishers, 2003), pp.22-48 at p.44.

<sup>33</sup> Singapore is also reportedly the frontrunner in a major Indian order of lightweight howitzers that will dwarf previous Singapore's prior arms export orders. "India expected to buy Singapore howitzers" *Asian Defence*, 12 March 2009.

In addition to extensive joint maritime exercises discussed below, since 2004 the Indian and Singaporean air forces have conducted annual exercises (generally hosted by India, but hosted by Singapore in 2006). Commencing in 2005 India has hosted the annual "Agni Warrior" artillery and "Bold Kurukshetra" armoured exercises (which by 2007 included joint planning of brigade-level armoured operations). From 2004, Singapore was granted access to Indian facilities to conduct its own air and army training.<sup>34</sup> However, the security relationship was taken to a new level when, in October 2007, India agreed to upgrade Singapore's training facilities in India, including allowing long term use of the Indian Kalaikunda air base (near Kolkata) by the Singaporean Air Force. In August 2008, India also agreed to the stationing of a small number of Singaporean army personnel and artillery and armoured vehicles at its Babina and Deololli firing ranges for an initial 5 year term.

The operation of training facilities on foreign soil is certainly nothing new for Singapore which, due to severe constraints on domestic land and airspace, has for many decades had numerous overseas training establishments for its air force, army and navy.<sup>35</sup> In fact, the Singaporeans, as ever, have made a virtue out of necessity. In what has been called a "second wing" to its defence,<sup>36</sup> Singapore has used its overseas establishments to give its armed forces (and particularly its air force) strategic depth as well as to develop closer relationships with its informal allies. It has been speculated that the growing relationship with India may also eventually replace Singapore's existing

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<sup>34</sup> Something originally suggested by the Indian air force to Singapore in November 1995.

<sup>35</sup> Singapore has or has had arrangements for the training of its armed forces in Australia, Brunei, France, Indonesia, New Zealand, South Africa, Thailand, Taiwan and the United States. The Singaporean air force operates permanent flight training establishments in the United States, Australia, Brunei and France.

<sup>36</sup> Bilveer Singh, *The Vulnerability of Small States Revisited: A Study of Singapore's Post-Cold War Foreign Policy*, (Yogyakarta: Gadjah Mada University Press, 1999) at p.301.

training arrangements with Taiwan which, naturally, represent an ongoing irritant to Singapore-China relations.<sup>37</sup>

The long term use of Indian territory by foreign military defence forces does however represent a major shift in Indian policy. Since 1947, India has as a matter of policy been opposed to any foreign military bases in Asia. India has fiercely opposed any foreign military bases on its territory and has until recently refrained from establishing its own military bases elsewhere. In the early 1960s, in the wake of the Sino-Indian war, the Indians refused to allow US forces to be based in India to assist in its defence, and in the early 1970s resisted pressure from the Soviets to be granted limited naval basing rights to support the Soviet Indian Ocean fleet. It appears that these “sacred cows” of Indian politics are quietly dying – at least so far as Singapore is concerned - as the announcement of these arrangements seems to have created relatively little political stir in India.

#### **3.1.4 Cooperation in maritime security**

Given the position of Singapore at the head of the Malacca Strait, between the South China Sea and the Indian Ocean, maritime security will inevitably be at the heart of any security relationship between India and Singapore.

Since the end of the Cold War, the Singaporean and Indian navies have exercised together frequently, and the tempo of joint training has increased in recent years. Singapore and India have held annual bilateral naval exercises since 1993 (which later became known as the SIMBEX exercises), making Singapore India's longest running naval exercise partner in Asia and India's only regular bilateral exercise partner in the region. The exercises started primarily with an anti-submarine focus and over the years have expanded in both size and scope to include maritime interdiction, air

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<sup>37</sup> *Jane's Sentinel Southeast Asia* (2008) Issue No.22, at p.585.



defence and gunnery and may in the future be expanded to combined exercises of all three services. While most joint maritime exercises have been held in the Bay of Bengal, since 2005 biennial exercises have been held in the South China Sea (which, according to the Commanding Officer of the Indian Navy's Eastern Fleet, "was not a signal to be given to somebody.")<sup>38</sup> The Indian navy also provided Singapore with training onboard Indian submarines, as well as providing Singapore's navy with access to Indian naval facilities and firing ranges.<sup>39</sup> In 2007, the annual Malabar exercises with the United States were expanded to also include Singapore, Japan and Australia.

The extent to which India might seek to use its relationship with Singapore to extend Indian naval power into the South China Sea remains to be seen. However, any credible Indian naval presence in the South China Sea would require the cooperation of a local partner such as Vietnam or Singapore. This could involve non-exclusive arrangements for the use of Singapore's Changi Naval Base, just as it is currently used by the United States navy. It has been reported that an arrangement allowing for "frequent" visits of Indian naval vessels to Changi Naval Base is already in place, and the development of a semi-permanent Indian naval presence seems not beyond the realms of possibility.<sup>40</sup>

### **3.1.5 Singaporean perspectives on India**

As we have seen, Singapore has for many years consistently welcomed an increased security role for India in the region and has actively sought to encourage that role. This does not merely reflect a recent desire to use India to balance against China's

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<sup>38</sup> P.S. Suryanarayana, "India, Singapore hold 'maritime exercise' *The Hindu*, 6 March 2005.

<sup>39</sup> G.V.C. Naidu, "Whither the Look East Policy: India and Southeast Asia" *Strategic Analysis*, Vol.28, No.2 (April-June 2004), pp.331-346, at p.339.

<sup>40</sup> Mohan, "India's Geopolitics and Southeast Asian Security."

rising power in what the Foreign Minister George Yeo has called Singapore's "strategic promiscuity," but also by a belief that India has a "natural" security role in the region.

Unlike some Southeast Asian states that have often resisted a security role for outside powers in the region, Singapore has consistently welcomed and encouraged a balanced role for external security providers on the basis that competition between major regional powers "must be squarely confronted and cannot be wished away."<sup>41</sup> However, Singapore's conception of a "balance of power" differs very much from neorealist predictions of states joining competing power blocs; rather it is more of a conception of a multipolar balance that provides freedom to smaller states. As Singapore's first and long-serving Foreign Minister, S.Rajaratnam, explained: "Where there is a multiplicity of suns, the gravitational pull of each is not only weakened but also by a judicious use of the pulls and counter-pulls of gravitational forces, the minor planets have a greater freedom of navigation."<sup>42</sup> Similarly, as the current Prime Minister Lee Hsien Loong has argued, Singapore's concept of a balance of power "depends on the competing interests of several big powers in the region, rather than on linking the nation's fortunes to one overbearing power. The big powers can keep one another in check, and will prevent any one of them from dominating the entire region, and so allow small states to survive in the interstices between them."<sup>43</sup> Leifer has characterised this policy as "a paradoxical combination of nonalignment and balance of power, with an emphasis on the latter."<sup>44</sup>

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<sup>41</sup> Goh Chok Tong, "Constructing East Asia," Speech to Asia Society, 15th Asian Corporate Conference, Bangkok, 9 June 2005.

<sup>42</sup> Chong Guan Kwa (ed.), *S Rajaratnam on Singapore: From Ideas to Reality* (Hackensack, N.J.: World Scientific, 2006).

<sup>43</sup> *Straits Times*, 6 November 1984.

<sup>44</sup> Michael Leifer, *Singapore's Foreign Policy: Coping with Vulnerability*, (London: Routledge, 2000) at pp.5-6.

In seeking such a balance, Singapore's founder, Lee Kuan Yew, was not unhappy to see the growth in Soviet naval capacity in the Indian Ocean in the early 1970s as a useful balancing force in the region,<sup>45</sup> a position which only changed in 1972 following signing of the India-Soviet friendship treaty. In his first visit to Beijing in 1976, Lee also declared that the stronger China became, the better and more equal the balance between the United States, the Soviet Union and China. During the 1980s, Lee suggested that Japan should take a greater role in balancing Soviet and Chinese influence in the region. Historically however the Singaporeans have regarded the United States as the key benign hegemon, with a particular role in contributing to the region's security and, as a result, they have worked to facilitate a strong US security presence in the region. In the early 1990s, when the US navy faced eviction from Subic Bay, Singapore sought to secure the presence of the US navy in the region through agreements permitting the establishment in Singapore of a US naval logistics centre servicing the US Seventh Fleet and the use of Singapore by US aircraft (including allowing for the rotational deployment of US fighter aircraft).

Singapore's approach to India in part reflects this thinking and, in a somewhat remarkable feat for such a small country, it has led the way in drawing India into a security role in Southeast Asia. Singapore's regional sponsorship of India reflects a cardinal principle of its balance of power approach to international relations, which is that a regional order cannot be durable if it seeks to exclude an existing or emerging power. Further, Singapore's encouragement of India's strategic engagement in the region is intended to create a positive balance and *not* to encourage rivalry between India and China. Singapore was thus reportedly uneasy about the way in which the Bush administration cultivated the India-US relationship in the context of its China policy, which was thought to add to regional uncertainties.<sup>46</sup>

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<sup>45</sup> Latif, *Between Rising Powers*, p.236.

<sup>46</sup> Kripa Sridharan, "Transcending the Region: Singapore's India Policy" at p.30.

The development of the India-Singapore relationship has been paralleled by the strategic rapprochement between India and the United States, and there are many issues on which there is a coincidence of interests between the three. However, any implication that there may be a trilateral coalition to contain China should be avoided, as each of Singapore, India and the United States have very different perspectives on China.<sup>47</sup> While the growing power of China represents an obvious source of concern, Singapore's desire to encourage India to act as a security provider is not just intended to balance China but has the broader motivation of ensuring an overall balance of power in the region (which clearly includes balancing China but arguably also includes some degree of hedging Singapore's reliance on the United States and Japan). In addition, following Singapore's particular efforts to bring India into ASEAN-centred institutions, India now arguably has an important stake in the continued relevance of ASEAN as a way of countering domination of the region by the United States and/or China.<sup>48</sup> In intra-regional terms, a "special relationship" with India also improves Singapore's strategic power and political bargaining position *vis à vis* its large Muslim neighbours, Malaysia and Indonesia and, arguably, could also increase Singapore's attractiveness to the United States as a regional security partner.

Importantly, for Singapore India is seen not just as another external power. The Singaporeans see India as an essentially benign security partner, which unlike Japan or China, carries no adverse historical baggage in the region. Further, while others have not been entirely comfortable with claims about India's historical influence in the region, Singapore (perhaps due to its majority Chinese ethnic background) has been happy to acknowledge the extent of Indian cultural influence and has used it to distinguish themselves from Northeast Asians. As George Yeo once commented: "...

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<sup>47</sup> For a detailed discussion of the trilateral relationship and perspectives on China, see Latif, *Three Sides in Search of a Triangle*.

<sup>48</sup> Sinderpal Singh and Syeda Sana Rahman, "The Next Stage of Singapore-India Relations: Possibilities and Prospects," ISAS Working Paper No.91, 24 September 2009, pp.12-13.

the influence of Indian civilization... has given to South-east Asian Society a certain gentleness which characterises the region and makes it so different from North-east Asia.”<sup>49</sup>

Moreover, there is also a geopolitical element underlying Singaporean thinking. India is not just another rising external power, but has a *natural* strategic role in Singapore and the rest of Southeast Asia that it strangely sought to deny for nearly half a century. This view was expressed most strongly by Lee Kuan Yew who, as has been seen, essentially saw India as the natural “protecting power” for Singapore which should impose its own version of the Monroe Doctrine in Southeast Asia. Similarly, as K.Kesavapany, a former senior Singaporean diplomat, put it: “India has *de facto* inherited the British security role” stretching from Aden to Singapore.<sup>50</sup> Arguably this view is given less emphasis by Singapore’s current leaders who see India’s role mostly in terms of regional balance. Singapore’s approach also reflects a belief that the East Asian and South Asian security regions which historically operated in an almost completely separate manner, are in the process of merging into a single security region. To once more quote George Yeo: “India’s rise compels us to look at our environment in new ways. It will be increasingly less tenable to regard South Asia and East Asia as distinct strategic theatres operating only at the margins.”<sup>51</sup>

Finally, there are also significant practical benefits to Singapore’s armed forces in close security relations with India. The availability of Indian facilities provides Singapore with much needed training areas and gives Singapore additional strategic depth, particularly for its air force and navy. The opportunity to train with forces deploying

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<sup>49</sup> *The Arts* (Centre for the Arts, National University of Singapore) November/ December 1995, p.4.

<sup>50</sup> K. Kesavapany, *India’s Tryst with Asia* (New Delhi: Asian Institute of Transport Development, 2006), p.48.

<sup>51</sup> George Yeo, Speech to India Economic Summit 2002, New Delhi.

Soviet/Russian equipment and non-Western military doctrine also provides a significant tactical benefit to Singapore, particularly given the extent of Soviet/Russian equipment deployed by the Malaysian armed forces (and, perhaps, also given India's role in providing training to the Malaysian air force).<sup>52</sup>

### **3.1.6 Indian perspectives on Singapore**

In recent years India has shown a similar degree of enthusiasm to that of Singapore in developing Singapore as its political and economic gateway into Southeast Asia. As Indian Defence Minister Pranab Mukherjee commented, Singapore has become "the hub of its political, economic and security strategy in the whole of East Asia."<sup>53</sup>

In comparison with Singapore, India has been less articulate about the objectives of its security engagement with Singapore and with Southeast Asia in general. This reflects the often conflicting pressures faced by India which include immediate security threats in South Asia, perceived encroachments of China into the Indian Ocean, concerns about China's increasing economic dominance in Southeast Asia, and an understandable desire to avoid being used by others to balance against China. The unwillingness (or inability) to fully articulate India's security policy in Southeast Asia also reflects the continuing evolution in Indian strategic thinking. Nevertheless, it is clear that Singapore's active role in assisting India to join regional institutions and become one of Southeast Asia's "multiplicity of suns" represents a major strategic opportunity for India in overcoming decades of neglect of Southeast Asia. The relative weakness of India's strategic position in Southeast Asia as compared with China also

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<sup>52</sup> Ho Weizan, *Examining Singapore-India Security Relations after the Cold War: Motivating Factors, Trends and Implications for Singapore* (unpublished thesis, National University of Singapore, 2008).

<sup>53</sup> Pranab Mukherjee, Address to the 5th IISS Asian Security Summit, 3 June 2006.

narrows India's strategic options: India has little choice but to extend its influence in the region in a cooperative manner.

From India's perspective, Singapore, in terms of its size, economic role and geographic position makes it an almost ideal partner in extending India's strategic influence into Southeast Asia. Singapore's role as the key trading and services hub in Southeast Asia provides India with an expeditious way of expanding its economic presence while it improves direct bilateral trading and investment links with the major regional economies (including Indonesia, Malaysia, Thailand and Vietnam). In political terms, Singapore's clear-sighted approach to its own strategic needs and those of the region allows the relationship with India to develop without the historical or ideological baggage that could be a factor in some of India's other relationships in the region (most notably, with Malaysia). In strategic terms, access to Singapore's port and air facilities, in combination with India's bases in the Andaman Islands, places India in an excellent position to potentially control the Malacca Strait as well as projecting power into the South China Sea.

There are, however, some limitations to the relationship. Singapore's small size and its omnidirectional foreign policy means a relationship with Singapore can only be a stepping stone to India developing stronger economic, political and security relationships with larger states if India wishes to have a major strategic role in the region. The imperatives behind the development of India's strategic relationship with Indonesia will be discussed in the next chapter.

## **Chapter 3.2 The evolving security relationship between India and Indonesia**

- 3.2.1 Cooperation, rivalry and coexistence during the Cold War
- 3.2.2 Indonesian security perceptions in the post-Suharto era
- 3.2.3 Current dimensions of security cooperation between India and Indonesia
- 3.2.4 Perspectives on the security relationship

### **Introduction**

This chapter will examine the evolution of the strategic relationship between India and Indonesia. It will argue that Indonesia is likely to become an essential element in India's regional strategy in Southeast Asia and that India also represents an attractive partner for Indonesia in its hopes to build a multipolar regional order.<sup>1</sup>

#### **3.2.1. Cooperation, rivalry and coexistence during the Cold War**

This section will review the strategic interaction between India and Indonesia during the Cold War. Despite periodic friction between them, during much of the Cold War India and Indonesia shared many similar strategic perspectives. Both claimed nonaligned status as a way of leveraging their influence between the competing blocs. From the 1960s, both shared significant concerns about Chinese expansionism and subversion in the region. Both also claimed a leading role in their respective regions and, with only limited success, sought to minimise the influence of external powers in their neighbourhoods.

On gaining independence in the late 1940s, India and Indonesia found themselves in similar strategic circumstances. Among the earliest and largest states to gain

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<sup>1</sup> See David Brewster, "The evolving security relationship between India and Indonesia" *Asian Survey* (forthcoming).



independence after World War II, both India and Indonesia were sprawling multi-ethnic and multilingual states which struggled to maintain internal cohesion, deal with the post-colonial legacies and claim their rightful place in the international order. A close political relationship developed between the two from the late 1940s as a newly independent India supported the Indonesian nationalist struggle against the Dutch and then Indonesia's role as a leading post-colonial state. Indonesian post-independence leaders also drew inspiration from India's nonaligned posture and its resistance to attempts by the United States to draw the newly decolonised states into the anti-Soviet camp. India and Indonesia were founders of the Movement of Non Aligned States. Through the 1950s and 1960s they shared the world stage as its leaders (and increasingly, rivals), struggling against the disintegrating European colonial system and resisting the development of a new international order dominated by the United States.

Both India and Indonesia also see themselves as the legitimate successor states for peoples that had been arbitrarily divided by the European colonisers. Both also fought against ethnic and religious separatism as their leaders sought to build cohesive and secular states. As a result, India and Indonesia spent much of their early years as independent states coming to terms with colonial-era divisions: for India, the partition of the Indian subcontinent between it and Muslim Pakistan and for Indonesia the colonial-era division of the ethnically Malay archipelagic Southeast Asia between it and Malaya/Malaysia. India and Indonesia gave each other significant diplomatic support in absorbing neighbouring colonial territories including India's takeover of French Pondicherry in 1954 and Portuguese Goa in 1961 and Indonesia's takeover of Dutch New Guinea in 1963 and Portuguese East Timor in 1975.

However, India and Indonesia were less supportive of each other's broader regional ambitions. In the early 1960s, when Indonesia sought regional hegemony in Southeast Asia through scuttling the creation of an independent Malaya, India gave Malaya significant support in various international fora as well as supporting a continuing

security role for its former colonial master, Britain. In response, Indonesia supported Pakistan in its 1965 conflict with India, supplying Pakistan with submarines, missile boats and MiG fighters (along with Indonesian crews).<sup>2</sup> Indonesian President Sukarno even briefly considered seizing the Andaman and Nicobar islands from India as a way of showing support to Pakistan.<sup>3</sup>

Rivalry between India and Indonesia during the early 1960s was aggravated by Indonesia's increasing tilt towards Communist China, including the perceived formation of a China-Indonesia-Pakistan axis hostile to India. When Indonesian President Sukarno stage-managed attacks by mobs on the Indian embassy in Jakarta in 1962 and again in 1965, India generally responded with forbearance, downplaying suggestions that Indonesia presented a significant threat to India.<sup>4</sup> The overthrow of Sukarno in September 1965 eased tensions significantly. Chinese political influence in Indonesia was swept away, and Indonesia moved quickly to repair damaged relations with India and its neighbours. Indonesia effectively ceased to pursue hegemony over maritime Southeast Asia, instead backing the creation of ASEAN. Indonesia withdrew its military support for Pakistan and backed India's claims over Kashmir.<sup>5</sup> India and Indonesia now had a shared view that China constituted the most significant threat to the region.<sup>6</sup>

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<sup>2</sup> According to the former Commander in Chief of the Pakistan Air Force. See M.Asghar Khan, *The First Round Indo-Pakistan War 1965* (Sahibabad: Vikas Publishing, 1979), pp.42-47. It appears that Indonesian personnel and equipment arrived in Pakistan too late to see action against India and were withdrawn after President Suharto came to power.

<sup>3</sup> Ibid.

<sup>4</sup> See Saroj Pathak, *India and Southeast Asia: A Study of Indian Perspective and Policy since 1962* (New Delhi: Atma Ram, 1990) at pp.109-110.

<sup>5</sup> See Dutt, *India's Foreign Policy*, at p.265.

<sup>6</sup> Joint Communique of Indian Foreign Minister M.C.Chagla and Indonesian Foreign Minister Adam Malik, as reported in *News from Indonesia*, No.545, 21 January 1967.

India has long recognised Indonesia's leading role in Southeast Asia. During the second half of the 1960s, India saw Indonesia and Vietnam as the regionally preeminent powers in archipelagic and mainland Southeast Asia which, it has been claimed, "led to the Indian perception that Vietnam and Indonesia form[ed] the kingpins of any strategy aimed at preventing the expansion of Chinese influence in Southeast Asia."<sup>7</sup> India proposed the establishment of a regional arrangement anchored by India, Indonesia and Japan to promote regional economic development and resist Chinese influence. Despite shared perceptions of a Chinese threat, Indonesia was very cautious about any arrangement that might be perceived as an anti-China coalition. Indonesia also rejected suggestions that India might join ASEAN on the grounds that India was not in Southeast Asia. The Indonesians were wary of bringing India and its troubles into an already unstable region and, no doubt, were also mindful of the significant impact of the membership of India on the balance of power in Southeast Asia and Indonesia's status within ASEAN.

Through the late 1960s and 1970s, India and Indonesia worked together to limit the influence of "extra-regional" powers in Southeast Asia and the Indian Ocean, acting as co-sponsors of the Indian Ocean "Peace Zone" proposals to prohibit warships from non-littoral states from using the Indian Ocean except for transit purposes. (Among other things this would have had the long run result of leaving India as the major naval power in the Indian Ocean.) However, while Indonesia firmly opposed the presence of all outside naval powers in the Indian Ocean in the 1960s, its thinking evolved towards accepting what it called a "reasonable balanced presence" of outside powers.<sup>8</sup> By the late 1970s, in light of increasing concerns over the Soviet naval presence, the Indonesians concluded that a limited US presence in the Indian Ocean and Southeast Asia was not necessarily undesirable. As Indonesian Foreign Minister Ali Alatas later

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<sup>7</sup> Ayoob, *India and Southeast Asia*, at p.36.

<sup>8</sup> Pathak, *India and Southeast Asia*, p.198.

put it: “we can’t keep the four powers [the United States, Japan, China and India] out of the region. But there must be equilibrium between them and Southeast Asia.”<sup>9</sup>

Through the 1970s, India’s previous worries over Indonesia’s Chinese entanglements were partially echoed by Indonesia’s concerns over India’s growing relationship with the Soviet Union. Nevertheless, during this time Indonesia sought to bring India into a closer relationship with ASEAN, proposing that India be given associate status. However, as has been discussed previously, Indonesia’s initiatives were torpedoed in 1980 when India recognised the Vietnamese-installed Cambodian government following Vietnam’s invasion of that country, a move which caused outrage among some ASEAN states. Although Indonesia felt bound to support its more hawkish ASEAN partners in their criticism of India (in particular, Singapore), it was not greatly concerned about India’s stance or its connection with Vietnam or the Soviet Union. The Indonesian military took a relatively relaxed view of Communist Vietnam, seeing it as acting as a buffer against the extension of Chinese influence.

Despite its relatively relaxed view about India’s actions in Indochina, the Indonesian military became increasingly concerned about a possible Indian role in assisting the growth of Soviet naval power in the Indian Ocean, a concern which was heightened after the Soviets were granted rights to Vietnam’s Cam Ranh Bay naval base in 1979. Although Indonesia had extracted a promise from Indian Foreign Minister Swaran Singh in 1974 that India would not provide the Soviet navy with facilities in the Andaman Sea,<sup>10</sup> by the mid-1980’s there was open concern among Indonesian military circles both about India’s naval expansion program and the possible use by Soviet submarines of Indian naval facilities at Great Nicobar Island, with an Indonesian military commander commenting that “Soviet submarines were roaming in Indonesian

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<sup>9</sup> “Live and Let Live,” *Far Eastern Economic Review*, 11 July 1991.

<sup>10</sup> *The Statesman*, 12 August 1974.

waters around Sabang” and that they came from the Indian base at Great Nicobar island.<sup>11</sup>

Despite concerns about the Soviet relationship, the Indonesians did not see India in terms of a threat but more as a potentially destabilising factor in the region. As a leading Indonesian analyst commented in the early 1990s, “Few perceive India as a potential threat, primarily because of its distance. India is still mostly perceived as a South Asian power whose strategic interests are confined to its immediate neighbouring areas.”<sup>12</sup> Indonesia did not really consider India as a “neighbour.” In Indonesian strategic thinking, India was regarded as an extra-regional power along with the United States, Japan, China and the Soviet Union. India was seen in largely benign terms as well as being a peer: holding preeminence in South Asia while Indonesia held a leading role in Southeast Asia.<sup>13</sup>

### **3.2.2 Security perceptions in the Post-Suharto era**

Like India, there have also been significant changes in Indonesia’s strategic perceptions following the end of the Cold War. Just as India suffered a series of crises in the early 1990s, Indonesia experienced a succession of economic and political crises in the late 1990s, beginning with the Asian economic crisis in 1997 (which hit Indonesia particularly badly), the subsequent fall of the Suharto regime and transition to democracy and the separation of East Timor from Indonesia in 1999. Together, these

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<sup>11</sup> *Straits Times*, 13 October 1986.

<sup>12</sup> Dewi Fortuna Anwar, “Changes and Continuity in Indonesia’s Regional Outlook” in Chandran Jeshurun (ed.), *China, India, Japan, and the security of Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 1993), pp.211-233 at p.228.

<sup>13</sup> Franklin B. Weinstein, *Indonesian Foreign Policy and the Dilemma of Dependence: From Sukarno to Soeharto* (Ithica: Cornell University Press, 1976).

were a catalyst for Indonesia to readjust its relationships with major powers, including India.

In 2000, President Abdurrahman Wahid, Indonesia's first democratically elected President after the fall of Suharto, unveiled an "Asianist" strategy to reduce Indonesia's economic and political dependency upon the West through forging formal or informal alignments with India, China, Japan and Singapore.<sup>14</sup> Wahid, while on a visit to New Delhi, proposed a triangular economic alliance between Indonesia, India and China and Indonesian Defence Minister Mohammad Mahfud later suggested a defence pact between Indonesia, India, China and Russia. Wahid's proposals, which were founded in mild anti-Westernism and vague ideas of "pan Asian" consciousness, were subject to significant criticism in Indonesia for lacking coherence and ignoring bilateral problems between India and China.<sup>15</sup>

While Wahid's proposals were not pursued by subsequent Indonesian administrations, they were indicative of more open thinking about enhancing Indonesia's international status. Since 2004 in particular, Indonesia has adopted a more active foreign policy, showing impatience with the limitations of the "golden cage" of ASEAN in terms of its size and perceived timidity and seeking to develop its bilateral relationships with major powers beyond the relationships that exist through ASEAN. Indonesia has sought to improve relations with China which included the April 2005 declaration of a "Strategic Relationship" involving commitments to collaborate in defence production, and to consult on defence, law enforcement and intelligence. However, there has been little follow-through on any commitments.<sup>16</sup> Although ideological differences have been

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<sup>14</sup> Kai He, "Indonesia's foreign policy after Soeharto: international pressure, democratization and policy change," *International Relations of the Asia-Pacific*, Vol.8 No.1 (2008), pp.47-72.

<sup>15</sup> Dewi Fortuna Anwar, *Indonesia at Large: Collected Writings on ASEAN, Foreign Policy, Security and Democratisation* (Jakarta: The Habibie Centre, 2005), p.83.

<sup>16</sup> Rizal Sukma, "Indonesia needs a post-ASEAN foreign policy" *The Jakarta Post*, 30 June 2009.

reduced, Sino-Indonesian relations remain strained by their maritime territorial dispute in the South China Sea and continuing resentment against the economically powerful Chinese ethnic minority in Indonesia. Arguably the Sino-Indonesian declaration amounted to Indonesia playing a “China card” to accelerate the resumption of US-Indonesian military ties.<sup>17</sup> Indonesia’s relations with the United States have also improved under US Secretary of State Condoleezza Rice and now under the Obama Administration. Although Indonesia continues its rhetoric of calling for an autonomous regional order free from external intervention, Jakarta has indicated that it prefers a continuing US security role in Southeast Asia as a counter to China’s rising power.<sup>18</sup> President Susilo Bambang Yudhoyono’s administration has reinforced previous statements that Indonesia is looking for a new global role which includes taking the lead in the Muslim world.<sup>19</sup> Recently there have been influential calls in Jakarta to develop a new regional security management arrangement – a sort of regional concert of powers – that would include Indonesia alongside India, China, Japan and the United States.<sup>20</sup> There has also been increased interest in the Indonesian security community for promotion of democracy in the region, including the establishment of the Bali Democracy Forum in December 2008.

As Indonesia’s strategic posture continues to evolve, it may increasingly see India as an attractive security partner for several reasons. First, as China’s regional power grows, so will Indonesia’s need for “balancing” partnerships. Second, the continuing

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<sup>17</sup> Ian Storey, “China and Indonesia: Military-security ties fail to gain momentum,” *China Brief*, Volume IX Issue 4, 20 February 2009. The Sino-Indonesian declaration may have also created concerns in New Delhi, leading to the declaration of an Indo-Indonesian “strategic partnership” several months later.

<sup>18</sup> Ralf Emmers, “Regional Hegemonies and the Exercise of Power in Southeast Asia: A Study of Indonesia and Vietnam,” *Asian Survey*, Vol.45, No.4 (July-August 2005), pp.645-665 at p.664.

<sup>19</sup> Terry Lacey, “Indonesia Looks to Play on the World Stage,” *Asia Sentinel*, 1 February 2010.

<sup>20</sup> Jusuf Wanandi, “The ASEAN Charter and Remodelling Regional Architecture,” *The Jakarta Post*, 3 November 2008.

development of a co-operative security relationship between India and the United States has brought India's strategic posture much closer to Indonesia's. Both India and Indonesia are now prepared to cooperate with the United States in a number of areas including the creation of "balanced" regional institutions. Third, a relationship with India would fit well with Indonesia's hopes to extend its reach beyond ASEAN towards other major powers and, ultimately, to sit alongside India at the top table in a multipolar regional order. Fourth, Indonesia may see some benefit from India playing an active maritime security role in the region, balancing not only against China but also potentially against US naval predominance. Despite major sensitivities over any foreign security presence in the Malacca Strait, India may well be seen as a useful partner in developing Indonesia's naval capabilities in the Strait and further afield.

The importance of Indonesia in India's regional strategy is also now arguably increasing. For India, Indonesia has particular significance in several ways. First, it is by far the largest state in Southeast Asia and is regarded a *primus inter pares* in ASEAN. A relationship with Indonesia will help India not only in developing its relationship with ASEAN institutions but also furthering its bilateral relationships across the region. Second, as a result of its historical concern about China, Indonesia is a potentially important partner in balancing against China's influence in East Asia, particularly in influencing the development of regional political and economic institutions favourable to India. Third, Indonesia's geographical location between the Indian and Pacific Oceans makes it key to India's aims to counter China's growing maritime interests in the Indian Ocean, take a security role in the Malacca Strait and gain a role as a naval power in the Western Pacific. Fourth, Indonesia's cooperative (though independent) security relationship with the United States fits well with India's own strategic posture. For India, a political partnership with Indonesia may be useful in increasing its freedom of action in working with the United States and its regional allies while simultaneously promoting the development of a multipolar region. Fifth, India has an important stake in the continued stability and viability of Indonesia, the world's largest Muslim majority nation, as a secular and democratic state. As a partner, Indonesia would help



legitimise India's foreign policy among its own Muslim minority as well as acting as an important bridge for India's dealings with the Islamic world. Indonesia's relatively tolerant Islamic tradition, infused with mystical Sufi beliefs, has many links with the Islamic Sufi traditions practiced in India. Indonesia has traditionally framed its foreign policy largely in secular terms and generally avoided the Islamic factor colouring its relationship with India (including, for many years, opposing Pakistan's stance on Kashmir in various international fora).<sup>21</sup> All these reasons create an imperative for India to develop its strategic relationship with Indonesia.

#### **3.2.4 Current dimensions of security cooperation between India and Indonesia**

Indonesia has given significant support to India's ambitions to improve its political and security links with the region. While Indonesia has long been in favour of an institutional relationship between India and ASEAN, it was in the mid 1990's that Indonesia came to see India as important to the regional balance of power. According to Lee Kwan Yew, Indonesia realised that they could not dominate the region after the Americans eventually left, leaving China or Japan as dominant powers, and therefore decided to help bring the Indians into the region. According to Lee, "they calculated not what is going to happen next year but in ten, twenty or thirty years."<sup>22</sup> Although Indonesia has generally allowed Singapore to take the lead as India's regional advocate, it nevertheless played an important role in supporting India's membership of the ARF in 1996 and helped to head off criticism of India in the ARF over the Pokhran II nuclear tests in 1998. After China and others resisted the inclusion of India in the ASEAN + 3 grouping, Indonesia also backed the creation of the annual ASEAN-India

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<sup>21</sup> "Indonesia for security cooperation with India," *The Hindu*, 30 July 1999.

<sup>22</sup> Datta-Ray, *Looking East to Look West*, p.289.

summit in 2002. Indonesia was also a strong supporter of India's participation in the East Asian Summit in 2005, "in order to keep balance in the East Asian community."<sup>23</sup>

Since the turn of this century, there have also been important developments in the bilateral relationship and the tempo of visits and meetings between Indian and Indonesian leaders increased markedly. Much of the emphasis, particularly from the Indonesian side, has been on the development of the economic relationship with India, although to date little has been achieved in this area. For Indonesia, India represents a potential major source of capital and a major market for Indonesian agricultural products. Nevertheless, bilateral trade and Indian investment in Indonesia remains weak. A bilateral Free Trade Agreement has been stalled since 2005 on issues of access to Indian markets for Indonesian palm oil and other key agricultural products, although this may be given fresh impetus following the signing of the India-ASEAN FTA in August 2009. For its part, India has failed to develop its economic relationship with Indonesia, particularly as an energy supplier. There have been some Indian investments in the Indonesian coal sector to secure supplies for Indian power generation, but no major Indian investments in hydrocarbons.

In contrast to the relatively stagnant economic relationship, there have been some important developments in the security sphere, including agreements on defence cooperation in 2001, on joint naval patrols in the Andaman Sea in 2002 and on terrorism in 2004. In 2005, the Indian Prime Minister and Indonesian President declared a "New Strategic Partnership" which placed much emphasis on political, defence and security cooperation, including the creation of an annual strategic dialogue between senior officials. However, as will be seen, maritime security is likely to remain the key focus of the security relationship.

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<sup>23</sup> Jusuf Wanandi, *Global, Regional and National: Strategic Issues and Linkages* (Jakarta: Centre for Strategic and International Studies, 2006), p.257.

### ***Defence industry cooperation***

In January 2001, a Defence Cooperation Agreement was signed during a visit by Indian Prime Minister Behari Vajpayee to Jakarta. Although nominally dealing with cooperation in the supply by India of training and defence equipment and the development of an Indonesian defence industry, the agreement is seen as having broader symbolic value, particularly following its formal approval by the Indonesian parliament in 2006. Indian assistance in defence technology and training could, at least in theory, be of particular value to Indonesia in light of India's capabilities in producing and supporting Russian-designed equipment and Indonesia's goal of diversifying its defence supply arrangements away from the United States. According to an Indonesian foreign ministry spokesman in 2007, defence industry cooperation with India would "help enhance security in the region" and that "would be a way for Indonesia to help ASEAN nations check the power of China in the region."<sup>24</sup>

However, there has been little real progress in this area. Indonesia has, among other things, unsuccessfully sought to acquire from India: radar systems; Brahmos cruise missiles;<sup>25</sup> and training for Russian-built Su-30 aircraft.<sup>26</sup> It is currently evaluating the purchase of the Indian Advanced Light Helicopters and has indicated interest in Indian participation in a proposed corvettes program and Indian expertise in communications and networking technology. However, the prospects of India becoming a major supplier of defence technology and services to Indonesia is restricted by Indonesia's small defence acquisition budget. It is also restricted by India's own limitations: the supply of radar systems and missiles was vetoed by India's European and Russian partners; India was also unwilling to provide training for Indonesia's SU-30 aircraft,

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<sup>24</sup> Abdul Khalik, "Indonesia – India security pact comes into effect," *Jakarta Post*, 3 April 2007.

<sup>25</sup> "Indonesia and Malaysia keen on buying Brahmos," *Frontier India Strategic and Defence*, 13 April 2007. <[www.frontierindia.net](http://www.frontierindia.net)>.

<sup>26</sup> "India says not yet to Indonesian plea," *India Express*, 21 April 2004.

fearing the risk of disclosure to third parties (i.e. Pakistan) of operational information on its frontline strike fighters. As will be discussed in chapter 3.3, others in the region, such as Vietnam, have also experienced significant problems in dealing India in the supply of defence technology. As a result, at least in the medium term, it seems likely that cooperation in the field of defence supply will remain limited.

### ***Cooperation in combating Islamic extremism***

India has been in a position to provide assistance to Indonesia in countering Islamic jihadist threats. Indonesia's vulnerability in this area, and its potential as a source of regional instability, was underlined through the rise of Islamic extremist cells based in Indonesia post 9/11 and the Bali and Marriott bombings in 2002 and 2003. President Wahid publicly supported India's position on terrorism in January 2001.<sup>27</sup> The arrest of senior members of Indonesia's Jemaah Islamiyah while training in Pakistan with the Kashmir separatist group Laskar-e-Toiba led to a Memorandum of Understanding on Combating International Terrorism in July 2004. In November 2004, Indonesia requested additional Indian assistance in countering terrorism, with an emphasis on maritime security, including a proposal to create what the Indonesians termed an "institutional arrangement."<sup>28</sup> Shared interests in combating Muslim extremist terrorism were underlined in July 2009 when Indonesia and India made a joint plea at the ASEAN Regional Forum for more effective intelligence sharing in the region.<sup>29</sup>

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<sup>27</sup> T.R.Ramachandran, "Wahid backs India on Kashmir," *The Tribune*, 12 January 2001.

<sup>28</sup> "Indonesia Seeks India's Cooperation to Counter Terrorism" *Financial Times*, 29 November 2004.

<sup>29</sup> Sandeep Dikshit, "India, Indonesia call for better intelligence-sharing to tackle terror," *The Hindu*, 24 July 2009.

### ***Maritime security cooperation in the Andaman Sea***

India has made a concerted effort to develop a strong maritime security relationship with Indonesia. Even before the end of the Cold War, aware of earlier concerns over its naval expansion program, India began implementing confidence building measures in maritime security, including hosting joint naval exercises with Indonesia and other regional partners. India and Indonesia commenced bilateral naval exercises off Surabaya in 1989 and in the Andaman Sea in 1991 and several years later India instituted the biennial MILAN meeting with the navies of Indonesia, Singapore, Malaysia and Thailand. India also invited senior Indonesian naval officers to inspect Indian naval facilities in the Andaman and Nicobar Islands to allay Indonesian concerns over the base.

The separatist insurgency in Indonesia's Aceh province (located on the western end of Sumatra, around 150 km from India's Nicobar Islands) was a further focus point in developing the security relationship in the early years of this decade. India and Indonesia, as large and ethnically and religiously diverse states, have had a long-running mutual interest in opposing separatism and since independence have provided mutual support on issues of territorial integrity. The Islamic-inspired insurgency in Indonesia's Aceh province gained momentum following the separation of East Timor in 1999 and formed a focus of Prime Minister Vajpayee's visit to Jakarta in January 2001, when Vajpayee emphasised India's support for Indonesia's sovereignty and territorial integrity.<sup>30</sup> For Indonesia the possible secession of Aceh province represented an existential threat, although this threat has been greatly reduced following the 2005 peace agreement which granted the province a large degree of autonomy. For India, Aceh is significant not only as a case of separatism or as a potential source of jihadist terrorism, important as those issues are, but that Aceh also commands the western

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<sup>30</sup> Sonia Trikha, "Indonesia changes its stance, supports India's bid for UN security council seat" *Indian Express*, 11 January 2001.

entrance to the Malacca Strait. Some fear that an independent and fundamentalist Aceh might obstruct use of the Malacca Strait or that China might be granted port facilities.<sup>31</sup> At least prior to 2005, Aceh's GAM (Free Aceh Movement) insurgents were believed to have been involved in the hijacking of merchant vessels off Sumatra both as a political statement and a source of funding.

India has played only a very limited role in assisting in the settlement of the Aceh conflict. Indian weapons inspectors participated in the international Joint Security Committee monitoring team in 2003<sup>32</sup> and the Indian navy made a prominent contribution to relief efforts in Aceh following the December 2004 tsunami, but India did not participate in the international Aceh Monitoring Mission (comprised of EU and ASEAN representatives) established after the 2005 peace agreement. Nevertheless, the Indian navy has used the Aceh conflict to build bilateral naval cooperation with Indonesia in the Andaman Sea. The Andaman Sea provides a key communication route with extremist groups in the region and in April 2002, Indonesian President Megawati expressed concerns about Aceh rebels finding support within India.<sup>33</sup> The Indians, claiming evidence of links between Aceh insurgents and Pakistan's Inter-Services Intelligence agency and the use of islands in the Nicobar group for gunrunning, pressed Indonesia to put in place a cooperative response.<sup>34</sup> This led to the IndIndocorpat Agreement under which the Indian and Indonesian navies have undertaken biannual "coordinated" naval patrols in the Andaman Sea, in the Six-Degree Channel at the northern entrance to the Malacca Strait through which most of the traffic to and from

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<sup>31</sup> See Donald K. Emmerson, "Indonesia's Eleventh Hour in Aceh," *PacNet Newsletter*, No.49, 17 December 1998 and Pankaj K. Jha, "India-Indonesia: Emerging Strategic Confluence in the Indian Ocean" *Strategic Analysis*, Vol.32, No.3 (May 2008), pp. 439-458 at p.454.

<sup>32</sup> Apparently at the request of GAM.

<sup>33</sup> Atul Andeja, "India, Indonesia anchor new partnership," *The Hindu*, 4 April 2002.

<sup>34</sup> Josy Joseph, "Following Gujarat riots, Indonesia reluctant on JWG to fight terrorism," <<http://www.rediff.com>>, 1 April 2002. Other observers have been highly skeptical of any link between GAM and Pakistan.

the Malacca Strait passes. Since 2002 these patrols have comprised Indian and Indonesian vessels and aircraft, commanded out of India's Joint Operations Command in the Andaman Islands. Although token in practical terms, such joint military action has significant symbolic value.

While security concerns in Aceh province and related piracy in the Malacca Strait have substantially diminished following the 2005 peace agreement, the region remains a concern to some in the Indonesian army. In February 2009, Indonesian Army Chief of Staff proposed creating direct links between the Indonesian military command in Aceh and Indian military command in Andaman to allow army units operating in the area to work directly together. In March 2009, the Indonesian army announced that the IndIndocorpat patrols would be "intensified" in response to a request from the Sri Lankan government to prevent Tamil Tiger rebels taking refuge on Indonesian territory.

### ***Indonesia and the "String of Pearls"***

While India has been able to demonstrate its value as a maritime security partner in the Andaman Sea, it has been less successful in nurturing concerns in Indonesia about the growth of Chinese naval influence in the Indian Ocean. As discussed in chapter 2.3, since the early 1990s, Indian officials and commentators have repeatedly raised concerns China's so-called "String of Pearls" strategy, including repeated assertions by Indian analysts that China has established naval facilities on the Burmese mainland and on islands in the Andaman Sea. India also expressed concerns to Indonesia over rumours of possible Chinese involvement in the development of a port facility in the Palau Weh islands in Aceh province, a contract which was later awarded to Malaysian interests. According to one Indian observer, while Southeast Asian countries have historically seen the 'China threat' as emerging from the east through Indochina and

the South China Sea, they should now be concerned about the opening of a new 'front' through Chinese expansion into the Indian Ocean.<sup>35</sup>

However, there is little evidence that concerns about a Chinese naval presence in the Indian Ocean are high on Indonesia's agenda. Instead, Indonesia's maritime security concerns about China are focused on the South China Sea, including, its long-running dispute with China over competing territorial claims over the oil rich waters adjacent to Indonesia's Natuna Islands.<sup>36</sup> Indonesia also has security concerns about Malaysia, focused on its maritime territorial dispute in the Ambalat area in the Celebes Sea. India has not taken any public position on the South China Sea or Celebes Sea maritime disputes. It is apparent that while both India and Indonesia are generally concerned about China's power in the region, these concerns have not yet coalesced into a shared perspective on a China threat in maritime security.<sup>37</sup> Nevertheless, the "String of Pearls" continues to be a significant issue in Indian strategic thinking and is an important factor in India's thinking about its relationship with Indonesia.

### ***The role of Indonesia in India's ambitions in the Malacca Strait***

One issue of immediate import in the India-Indonesia relationship is India's ambitions to act as a security provider in the Malacca Strait. As has been discussed in section 2.3.3, a direct security role in the Malacca Strait represents a key strategic objective for India in Southeast Asia.

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<sup>35</sup> M. Malik, "Sino-Indian Relations and India's Eastern Strategy" in Gordon and Henningham, *India looks east*, pp. 119-163

<sup>36</sup> See generally, Ian James Storey, "Indonesia's China Policy in the New Order and Beyond: Problems and Prospects," *Contemporary Southeast Asia*, Vol.22, No.1 (April 2000), pp. 145-174.

<sup>37</sup> Although a senior Indonesian official reportedly voiced concerns in the mid-1990s over China's assistance to Burma in establishing a naval base in the Irrawaddy delta. M.Vatikiotis and B.Lintener, "Pariah No More," *Far Eastern Economic Review*, 3 March 1994, p.27.



Indonesia has been ambivalent about an Indian security role in the Strait. In July 2005, an Indonesian Foreign Ministry spokesman publicly rebuffed Indian requests for a security role, telling the Indian Chief of Naval Staff Admiral, Arun Prakash, that responsibility for safety in the Malacca Strait lay with “Indonesia, Malaysia and Singapore only,” leading Prakash to deny that India had any intention of patrolling the Malacca Strait.<sup>38</sup> In June 2007 Indonesian Defence Minister, Juwono Sudarsono, deflected renewed requests from the Indian Defence Minister for a role in patrolling Malacca Strait, claiming that Jakarta was keen that India, South Korea, China and Japan “pitch in to provide infrastructure” in the Strait.<sup>39</sup> Nevertheless, the Indonesian military appears to take a generally benign view of an Indian maritime security role in and around the Strait. In March 2009, a meeting of the ARF in Jakarta produced an invitation to Thailand to join with Indonesia, Malaysia and Singapore in coordinated patrols of the Strait.<sup>40</sup> At the same time, the Indonesian military reportedly requested India to take part in maintaining security in the Malacca Strait, on the basis that “all approaches to the strait will be more secure for international shipping.”<sup>41</sup>

While Malaysia did not publicly demur from the Indonesian announcement it remains to be seen what level of Indian involvement in the Strait it would tolerate. India’s relations with Malaysia are uneasy and Malaysia’s Islamic oriented foreign policy, its strong economic and political relationship with China and recent political demands by Malaysia’s Indian ethnic minority have all led it to be suspicious of India’s ambitions in

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<sup>38</sup> Rakesh Sinha, “Jakarta says no to Indian patrol in Malacca Straits,” *Indian Express* 13 July 2005.

<sup>39</sup> P.S.Suryanarayana, “Indonesia for defence tie-up with India,” *The Hindu*, 5 June 2007.

<sup>40</sup> “Thai to join RI patrolling Malacca Strait,” *The Jakarta Post*, 16 March 2009. This conveniently extended the definition of the Malacca Strait north towards Indian waters.

<sup>41</sup> “Indonesia asks India to help maintain Malacca Strait security” *Xinhua*, 5 March 2009. The Indonesian Foreign Ministry has kept its silence on the request although Indonesian embassies posted reports of the invitation.

the region. Although Malaysia has previously firmly opposed any Indian role in the Strait, this seems to have softened in recent years. In 2005, the Malaysian Prime Minister Abdullah Badawi is reported to have told Indian Prime Minister Manmohan Singh that Malaysia holds the key to India's ambitions in the Malacca Strait and the South China Sea, and that his country is ready for a strategic partnership with India, *provided* that India's security ties with Thailand are scaled down.<sup>42</sup> In 2008, Malaysia consented to an Indian role in the "Eye in the Sky" project to provide air surveillance over the Strait.<sup>43</sup> Malaysia's views may have been helped by Indian offers of training and technical support for Malaysia's MiG-29 aircraft and Scorpène submarines.

For Indonesia, any invitation to India would represent an important departure from its position on Indonesian sovereignty of the Strait. Nevertheless, the Indonesian navy may see it as a useful way to build its relationship with the Indian navy to assist in its own development. India may in certain circumstances also represent a convenient "compromise candidate" as an external security provider in the Malacca Strait. Certainly, if Indonesia comes under increased pressure to take action on security in the Strait it may find it politically more acceptable for India to take a security role compared with the United States, Japan or certainly China. There is considerable political opposition in both Malaysia and Indonesia to a US security presence in the Strait and Japan continues to carry historical baggage in the region. Any direct presence of Chinese naval forces would almost certainly be unacceptable to Indonesia. It is arguable that in the event of increased international pressure to take action on Strait security, Indonesia may allow India to participate in Strait security on Indonesia's

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<sup>42</sup> This has included India-Thai joint naval patrols in the Andaman Sea. "Malaysia Warns India against Thailand" *Newsinsight*, 3 January 2005.

<sup>43</sup> P.S.Suryanarayana, "India, Malaysia to step up defence ties," *The Hindu*, 8 January 2008; and "Indian Air Force Chief to Visit Malaysia; Boost in Military Ties," *India Defence*, 17 August 2008.

terms.<sup>44</sup> Any security role for India in the Malacca Strait would be a significant step for India. Beyond the immediate security implications in the Strait, it would help legitimise India's claims as a major power and a benign security provider to the region as a whole. Cooperation between the Indian and Indonesian navies would provide an opportunity for the expansion of relationships with the Indonesian military and would likely presage increased political cooperation between India and Indonesia in dealing with regional security issues. However, without agreement on any Indian role in the Strait, India will need to content itself with assisting littoral states to build maritime surveillance capacities and relying on its relationships with the United States and Singapore to gain a Recognised Maritime Picture in the Strait.

#### **3.2.4 Perspectives on the security relationship**

What are the prospects for the development of a broad-based security partnership between India and Indonesia? Although there are some caveats, there are several reasons to believe that the security relationship will continue to develop, if slowly.

Despite periods of rivalry or friction in the past, similarities in the strategic perspectives of India and Indonesia are likely to increase commonalities in strategic interest. Both have long-held concerns about the growth of China's power. Both wish to see the development of a multipolar regional order in which they sit at the top table. Both see a cooperative security relationship with the United States as a means to achieve that objective.

India is increasingly likely to see a close relationship with Indonesia as a key to its security ambitions in Southeast Asia. Indonesia's leading role in Southeast Asia, together with its geographical position as gatekeeper between the Indian and Pacific

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<sup>44</sup> See comments by former Indian Foreign Secretary Rajiv Sikri, in Sikri, *Challenge and Strategy*.

Oceans make it an indispensable partner for India. For its part, Indonesia has long sought to bring India into a closer relationship with ASEAN although it has also been careful to maintain its leading role in the region. Indonesia is likely to see India as a useful partner in balancing the growth of China's influence in the region and a potential partial alternative to reliance on the United States as an external security provider. While this is consistent with Singapore's approach, unlike the smaller ASEAN states, Jakarta also has ambitions to sit alongside the major powers in any future Asian security arrangements.

Nevertheless, one should treat developments in the security relationship with caution. As C.Raja Mohan has commented, "While India has a set of complementary interests with Indonesia, both countries are notorious for their inability to turn words into practical deeds."<sup>45</sup> India has so far failed to take the initiative in making itself an attractive economic partner to Indonesia. In the security sphere there is little indication that, despite its ambitions, India will become a major supplier to defence technology to Indonesia. India has also not shown itself to be willing to take risks in providing security assistance to Indonesia. Neither has Indonesia demonstrated interest in publicly supporting India in its claims about China's "String of Pearls" in the Indian Ocean.

Despite these caveats, there are two areas where one might expect further developments in the security relationship, at least in the medium term. One is political cooperation in promoting the development of "multipolar" regional security and economic institutions i.e. institutions which constrain the influence of China and the United States and in which India and perhaps Indonesia have seats at the top table. The other area is naval cooperation. The main focus of security cooperation will likely be maritime policing and related issues, including a more prominent role for the Indian coast guard. Increased cooperation could also involve Indian assistance in building

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<sup>45</sup> Mohan, "Is India an East Asian Power?" p.13.

Indonesia's naval capabilities, with particular focus on surveillance capacity in the Malacca Strait. India might come to see Indonesia as a very useful partner in complementing India's naval capabilities in the northeast Indian Ocean.

There are reasons to believe that the India-Indonesia relationship will develop into a broader security partnership. However, this will only likely occur when both India and Indonesia see an imperative to turn their numerous complementary interests into practical deeds.

## **Chapter 3.3     India's political alliance with Vietnam**

- 3.3.1    India's most trusted friend and ally: the long-running political alliance
- 3.3.2    Attempts to develop a post-Cold War security relationship
- 3.3.3    The dragon is scratching away and the elephant must move fast: economics comes to the fore
- 3.3.4    Perspectives on India's strategic relationship with Vietnam

### **Introduction**

For more than 40 years, India and its “most trusted friend and ally” Vietnam, have consistently stood together in resisting external domination of Indochina. In recent years India has been seeking - with limited success - to recalibrate the relationship with Vietnam as part of its security ambitions in the region.<sup>1</sup> This chapter looks at developments in this long-standing political alliance and what it reveals about potential limitations on India's security engagement with Southeast Asia. Among other things, the relationship provides an excellent example of the meeting point between India's imperatives to balance China's power in Asia and the realities faced by China's neighbours in East Asia.

#### **3.3.1    India's most trusted friend and ally: the long-running political alliance**

The relationship between India and Vietnam over the last half a century or more was built on an ideological foundation of pan-Asian nationalism reinforced by shared struggles against US and Chinese hegemony. During the 1940s, Indian and Vietnamese nationalists were at the forefront of independence struggles in Asia and in the immediate post-war years, Ho Chi Minh looked to Nehru and the Indian leadership

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<sup>1</sup> See David Brewster, “The strategic relationship between India and Vietnam: The search for a diamond on the South China Sea?” *Asian Security* Vol. 5, Issue 1 (January 2009), pp. 24 – 44.

for support, which was forthcoming in moral if not material terms.<sup>2</sup> Although Nehru's support for the Vietnamese nationalists was initially tempered by suspicions of communism, Nehru was the first foreign leader to visit Hanoi on the establishment of the separate North Vietnamese state in October 1954 and his public embrace of Ho Chi Minh reportedly provided him "incalculable prestige."<sup>3</sup>

In the 1950s, India saw itself as having an important role to play in securing the independence of Vietnam through the negotiation of the French withdrawal from Indochina. Although not an official party to the Geneva Peace talks in 1954 (largely due to US opposition), the Indians made significant efforts to insert themselves into the discussions, and the role of Indian Foreign Minister Krishna Menon in the talks has been described as "ubiquitous."<sup>4</sup> The Indians saw it as essentially a process of applying to Indochina the principles of *Panchsheel*, as well as far as possible keeping China, the United States and France out of the region. India took the job of overseeing the implementation of the Geneva agreements through the International Control Commission which had the job of supervising the separation of rival forces, dealing with refugees and overseeing proposed nation-wide elections.

India's relationship with North Vietnam was not entirely smooth. India saw its primary interest as limiting Chinese influence in Indochina rather than limiting the interests of the United States. US Vice President Hubert Humphrey later claimed that during a visit to New Delhi in 1966, Indira Gandhi admitted to him that although domestic politics

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<sup>2</sup> In November 1946, while praising the Vietnamese nationalists, Nehru blocked an attempt to organise an Indian volunteer brigade to fight against the French colonial forces in Vietnam. See D.R.SarDesai, *Indian Foreign Policy in Cambodia, Laos and Vietnam 1947 – 1964* (Berkeley: University of California Press, 1968), at p.12.

<sup>3</sup> Ibid. at p.76.

<sup>4</sup> One journalist at the Geneva talks commented, "there is no antechamber where one does not find oneself face to face with Mr. Krishna Menon." Quoted in Frank N.Trager, *Why Vietnam?* (London: Pall Mall Press, 1966), p.88.

required her to criticise the United States, she was concerned about Chinese support for North Vietnam and was glad the Americans were there.<sup>5</sup> However, as the 1960s progressed, the Indians increasingly believed that the administration in the South would collapse without American support, which would one day be withdrawn, and it was therefore prudent and sensible to cultivate relations with the North rather than the South.<sup>6</sup> As a political rift between Beijing and Hanoi developed through the 1960s, Hanoi leaned more and more towards New Delhi. India reciprocated, viewing Vietnam as a major long term regional actor because of its intrinsic moral and material strength. Indira Gandhi, aware of the increasing divergence of North Vietnamese and Chinese views, took the opportunity to draw North Vietnam into the anti-Chinese camp during the late 1960s. However, the relationship was still driven more by a mutual desire to keep Indochina free from superpower alignment and from shared ideals of Asian nationalism than by overt hostility to China.<sup>7</sup> By April 1975, when the fall of Saigon was greeted with thunderous applause in the Indian Parliament, New Delhi and Hanoi had developed a mutually supportive political relationship.

The Chinese invasion of Vietnam in 1979 not only brought back memories of India's own humiliation at the hands of China in 1962, but heightened perceptions of a continuing Chinese threat to India. Indira Gandhi believed that if India were to become the paramount power in South Asia, it must prevent a Chinese advance into Southeast Asia. A strong, anti-Chinese Indochina, led by Vietnam, would guard the flank of India's sphere of influence in South Asia.<sup>8</sup> There were influential calls to create an India-Vietnam axis to contain China, in the nature of the relationship between China

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<sup>5</sup> Hubert H. Humphrey, *The Education of a Public Man: My Life and Politics* (New York: Doubleday, 1976), p.248.

<sup>6</sup> Thakur and Thayer, *Soviet Relations with India and Vietnam*, at p.234.

<sup>7</sup> Ibid., at pp.231-2.

<sup>8</sup> John W. Garver, "Chinese-Indian Rivalry in Indochina," *Asian Survey*, Vol.27, No.11 (Nov. 1987), pp.1205-1219 at pp.1207-8.



and Pakistan. In 1979, India's long time senior diplomat and former foreign secretary, T.N. Kaul, was dispatched on a "private" visit to Hanoi and later argued that India should enter into Soviet-style "Friendship Treaties" with Vietnam and other Indochinese states in order to "protect" Indochina from great power rivalry.<sup>9</sup> However, India shied away from developing any security relationship and also refused to provide assistance to Vietnam in developing any indigenous arms manufacturing capability.<sup>10</sup> Whether or not a close security relationship may have been possible during the 1970s and 1980s, India did not pursue the opportunity and security relations were limited to information sharing arrangements.<sup>11</sup> Indian support for Vietnam remained firmly at a politico-diplomatic level even after the Chinese invasion of Vietnam in February 1979.

India's diplomatic support for Vietnam, in opposing US hegemony in Indochina in the 1960s and 70s and Chinese hegemony in the 1970s and 80s, came at a significant cost in its political relations with the United States, China and much of Southeast Asia. Indian support for Hanoi during the Vietnam War was an important factor in the development of a hostile relationship between India and the United States during the 1960s and 1970s. As early as 1965, India's position on Vietnam led to US President Johnson postponing the planned visit to the United States by Indian Prime Minister Shastri and a decade later New Delhi's glee at the fall of Saigon in 1975 led to the cancellation of a planned visit by President Ford. India's later support for Vietnam

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<sup>9</sup> See Kaul, *India, China and Indochina* at p.150; and T.N.Kaul (ed.), *India and Indochina: Perspectives in Cooperation* (New Delhi: Patriot Publishers, 1987), p.2.

<sup>10</sup> Nayan Chanda, *Brother Enemy: The War after the War* (New York: Harcourt Brace Jovanovich, 1986), p.257.

<sup>11</sup> Including studies of the effectiveness of Vietnamese tactics against the Chinese in 1979 and a limited three- way information sharing arrangement with the Soviet-backed Afgani government in the 1980s. Dr.Subhash Kapila, "India-Vietnam Strategic Partnership: The Convergence of Interests," *South Asia Analysis Group*, Paper No. 177, 2 January 2001.

over Cambodia merely confirmed India's place in US policy perspectives as a Soviet fellow-traveller.

India's support for Vietnam over the Chinese invasion in February 1979 and the Vietnamese occupation of Cambodia through the 1980s also delayed improvements in Sino-Indian relations for a decade. The intended reopening of high-level relations with China in 1979, frozen since the 1962 war, was wrecked when the Chinese invaded Vietnam during the visit of Indian Foreign Minister Vajpayee to China. The invasion, according to the Chinese to "teach Vietnam a lesson," evoked bitter memories of India's own defeat by China in 1962. The Indian Prime Minister expressed his "profound shock and distress" at the invasion and the Indian press described it as "perfidy" and "studied insult" by China.<sup>12</sup> Whether the timing of the invasion during Vajpayee's visit was intended to achieve tactical surprise,<sup>13</sup> as a reminder of Chinese military power or, as some thought, an attempt to create suspicions between India and Vietnam, it seems unlikely to have been a coincidence, particularly given the care with which the Chinese had given prior notification of the attack to the Americans. In all events, it pointed to the extraordinary disregard held by the Chinese for their relations with India. The visit was cut short and Vajpayee returned to Delhi, humiliated. The planned return visit by Chinese Foreign Minister Huang Hua to New Delhi, scheduled for August 1980, was also postponed by almost a year after India recognised the Vietnamese-backed Cambodian government a few weeks earlier.<sup>14</sup> In January 2001, Vajpayee, now Prime Minister, repaid the diplomatic insult from 1979 by pointedly

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<sup>12</sup> Sunanda K.Datta-Ray, "Invasion of Vietnam brings an end to the thaw between India and China," *Canberra Times*, 21 March 1979.

<sup>13</sup> It has been argued that Vietnam would not have expected a Chinese attack to occur during the Indian visit. Harlan W.Jencks, "China's "Punitive" War on Vietnam: A Military Assessment," *Asian Survey*, Vol.19, No.8, (1979), pp.801-815 at p.805.

<sup>14</sup> Garver, "Chinese-Indian Rivalry in Indochina," at p.1209.

keeping Chinese Premier Li Peng waiting for two days in New Delhi while he completed an official visit to Vietnam.

As has been discussed in chapters 3.1 and 3.2, India's relationship with Vietnam also had a major impact on its relations in Southeast Asia. India's unsuccessful attempts during the 1980s to facilitate a Vietnamese withdrawal from Cambodia without strengthening China's regional position placed it at odds with the ASEAN states which, by and large, feared Vietnam as a Soviet regional proxy more than China. It was only with the collapse of the Soviet Union that India's relationship with Vietnam has become a potential asset in its political and security relationships in East Asia.<sup>15</sup>

### **3.3.2 Attempts to develop a post-Cold War security relationship**

It took almost a decade after the end of the Cold War for India and Vietnam to seek to revitalise and extend their bilateral relationship beyond their Cold War and anti-colonial camaraderie. This occurred only after both India and Vietnam had taken significant steps to develop other economic and political relationships in East Asia.

The end of the Cold War forced a major change in Vietnam's strategic thinking. For Vietnam, like India, the collapse of the Soviet Union meant the loss of its major arms supplier and its strategic guarantor against China. However, the end of the Cold War also facilitated a resolution of the impasse over Vietnam's occupation of Cambodia and consequent room for improvement of relations with ASEAN states and China. Vietnam moved quickly in the new strategic environment to stabilise its regional security relationships, beginning with Southeast Asia. Vietnam signed the ASEAN Treaty of Amity and Cooperation in 1992 and was invited to join ASEAN in 1995. Beginning in

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<sup>15</sup> For detailed discussions of India's recognition of the Heng Samrin regime and its impact on relations with ASEAN, see Ayoob, *India and Southeast Asia*; and Thakur, *Soviet Relations with India and Vietnam*.

the early 1990s, Vietnam also made efforts to repair relations with China. A “good neighbourliness” treaty was signed in February 1999, leading to the resolution of their land border dispute in December 1999, and an agreement delimiting the maritime boundary in the Gulf of Tonkin in December 2000. While the boundary disputes in the South China Sea remain a major source of disagreement, tensions have moderated somewhat, particularly since the 2002 agreement on a Code of Conduct on the South China Sea between China and ASEAN states, including Vietnam.

Despite significant progress in stabilising its relations in the region, sharp ideological divisions remained between Vietnamese reformists and conservatives over whether China should be viewed as Vietnam’s last remaining socialist friend and the extent of Vietnam’s relations with non-socialist states.<sup>16</sup> Vietnam’s policy of reengagement with China also reflected the centuries-long pendulum between obeisance and outright hostility towards China. As one Vietnamese official remarked: “Remember after defeating the Chinese we always sent tribute.”<sup>17</sup> In the late 1990s, the balance had swung towards paying “due respect” towards China and acceptance of a position as “Little Brother” in the relationship. Vietnam’s leaders took the view that strategic stability was a precondition to economic development and that it would be better to settle territorial disputes sooner rather than later, given the continuing rise of China’s power. As one observer put it: “Economics has replaced security as the central concern of the normalcy era.”<sup>18</sup> The increased importance placed on “economic

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<sup>16</sup> See generally, Henry J. Kenny, *Shadow of the Dragon: Vietnam’s Continuing Struggle with China and its Implications for U.S. Foreign Policy* (Washington D.C.: Brassey’s, 2002); and Stephanie Balme and Mark Sidel, *Vietnam’s New Order: International Perspectives on the State and Reform in Vietnam* (New York: Palgrave Macmillan, 2006).

<sup>17</sup> Quoted in Kenny, *Shadow of the Dragon*, p.100.

<sup>18</sup> Brantly Womack, *China And Vietnam: The Politics of Asymmetry* (Cambridge: Cambridge University Press, 2006), p.229.

security” within the context of national security would also be played out in Vietnam’s relationship with India.<sup>19</sup>

In April 2001, a new Vietnamese Communist Party General Secretary, Nong Duc Manh, re-emphasised a policy of seeking a diversification of international relations. Vietnam had already moved to revitalise its relationship with Russia, declaring a “new strategic partnership” between them in 1998, and now also sought (if hesitantly) to improve relations with the United States, Japan and India. An enhanced relationship with India may have been seen as not just helping to provide a measure of balance with China, but also in providing a balance between the conflicting pressures coming from the United States and Russia.<sup>20</sup> However, in hedging its relationships, the Vietnamese have avoided any explicit discussion of any threat from China and continued to pay public respect towards its socialist brother.

Consistent with moves towards a diversification of international relations, the Vietnamese military were also looking for diversification in arms procurement and training beyond its traditional partner, Russia. Despite a significant amount of military to military contact between the Vietnamese and Chinese militaries since the end of the Cold War, China was not considered an appropriate weapons procurement partner at least until 2005.<sup>21</sup> While Russia and former Soviet republics would remain Vietnam’s predominant arms suppliers, India, with its large inventory of Soviet weapons and indigenous defence industry, also seemed to be a good source of weapons and

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<sup>19</sup> Pham Cao Phong, “Vietnam’s new security perception: the role of economic security,” paper prepared for the 43rd annual ISA convention, New Orleans, 24-27 March 2002.

<sup>20</sup> According to the Thai Foreign Minister, Surin Pitsuwan. See Micool Brooke, “India Courts Vietnam with Arms and Nuclear Technology” *Asia-Pacific Defence Reporter*, Vol. 25 (August/September 2000), pp.20-21.

<sup>21</sup> Carlyle A. Thayer, “Vietnam’s Defence Policy and its Impact on Foreign Relations,” Paper delivered to EuroViet 6, Asien-Afrika Institut, Universität Hamburg, Hamburg, Germany, June 6-8, 2008, p.29.

training. The Vietnamese military had been pursuing a defence supply and training relationship with India since the mid-1990s and was eager to develop closer military to military relations.<sup>22</sup>

### ***Attempts to develop a new security partnership***

The first significant steps in expanding India-Vietnam relations beyond the traditional political alliance were taken in 2000, seemingly at the initiative of India. During a visit by Vietnamese Prime Minister Phan Van Khai to New Delhi in January 2000, Indian Defence Minister, George Fernandes, called for a renewed political relationship with a strong security focus, describing Vietnam as India's "most trusted friend and ally."<sup>23</sup> The Indians called for a new relationship with Vietnam with a major security dimension, including a proposal to develop India's naval presence in the South China Sea through access to the Cam Ranh Bay naval and air base (discussed later) and joint defence training and the supply of advanced weapons to Vietnam. The Indians and Vietnamese formalised a wide-ranging defence cooperation agreement providing among other things for regular exchange of intelligence, joint coastguard training to combat piracy, jungle warfare and counterinsurgency training for the Indian army (something particularly useful in dealing with the Naga insurgency in northeast India), repair of Vietnamese MiG aircraft, training of Vietnamese pilots and Indian assistance on small and medium arms production. Fernandes declared that India could supply Vietnam with not only warships, but also anti-ship and air defence missiles.<sup>24</sup> Pursuant to the agreement, Hindustan Aeronautics and Bharat Electronics were

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<sup>22</sup> In 1994, India and Vietnam entered into a low key protocol providing for limited training of Vietnamese officers at India's defence academy and provision of some maintenance services. A broader defence cooperation agreement was also negotiated but not signed.

<sup>23</sup> "India must not ignore S.E. Asia: Fernandes," *The Hindu*, 28 March 2000.

<sup>24</sup> Micool Brooke, "India Courts Vietnam with Arms and Nuclear Technology" *Asia-Pacific Defence Reporter*, Vol. 25 (August/September 2000), pp.20-21.

contracted to repair and overhaul up to 125 of the VPAF's Russian-built MiG-21s, including new avionics and radar to support Russian antiaircraft missiles.<sup>25</sup> The Indian navy also supplied much-needed spares for Vietnamese Osa II-class missile gunboats and other Russian built warships and in October 2002, the Vietnamese requested India to provide submarine training for its navy.

While the Vietnamese made steps towards closer security relations with New Delhi, they remained cautious, concerned not to upset the newly-found stability in relations with China. It was only in early 2003 that the General Secretary Nong Duc Manh yielded to pressure from the integrationist camp within the Vietnamese Communist Party to enter a "strategic relationship" with India.<sup>26</sup> This resulted in the "Joint Declaration on the Comprehensive Cooperation Framework" in May 2003, which included commitments to regular high-level meetings, close cooperation in international fora and gradual steps to expand cooperation in security and defence. At the same time, the Vietnamese decided to pursue what they called a "reliable partnership" with Japan and later that year made significant steps to improve political ties with the United States. In agreeing to develop relationships with key non-socialist states, the Vietnamese however continued to delicately balance its relations with China. As a result, the development of the security dimension of the Vietnam-India relationship has been much slower than India had originally hoped.

For its part, India has turned out to be a less than reliable weapons procurement partner, proving itself to be often uncompetitive, bureaucratic and politically hesitant

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<sup>25</sup> Ian Storey and Carlyle A. Thayer, "Cam Ranh Bay: Past Imperfect, Future Conditional," *Contemporary Southeast Asia*, Vol.23, No.3 (December 2001), pp.452-73 at p.468; *Jane's Sentinel Southeast Asia* No.12 (2003) p.637.

<sup>26</sup> Alexander L. Vuving, "Strategy and Evolution of Vietnam's China Policy: A Changing Mixture of Pathways," *Asian Survey*, Vol. XLVI, No.6 (November/December 2006), pp.805-824 at pp.816-8.

in supplying weapons to Vietnam. While Vietnam was initially keen on sourcing spares for Soviet-vintage equipment from India, the Indians found themselves undercut by cheap suppliers from Belarus, Ukraine and Russia. Other deals have been lost through payment-related problems and Indian bureaucratic bottlenecks.<sup>27</sup> One Indian observer complained of excessive bureaucracy coupled with highly complex and uncoordinated procedures required to export military goods.<sup>28</sup> However, there was also a significant element of political caution on the part of India, particularly in relation to the supply of advanced missile technology. Several years ago, Vietnam formally requested the supply of Indian Prithvi intermediate range ballistic missiles and Brahmos cruise missiles (both of which can be supplied under the Missile Technology Control Regime).<sup>29</sup> The supply of Brahmos missiles was blocked by India's Russian partners. Although the Indians reportedly agreed "in principle" to the sale of Prithvi missiles, they have since stalled.<sup>30</sup> The Vietnamese are believed to have indicated their displeasure at delays in the supply of Prithvi missiles through the purchase by the Vietnamese Ministry of Public Security of a small number of small arms from Pakistan in 2007 and 2009, despite "discreet" protests from India.

As will be discussed later, bilateral discussions after 2003 have increasingly placed greater emphasis on political and economic aspects of the relationship and less on security aspects. The Congress-led Indian government, elected in May 2004, was much less assertive in regional security matters than its BJP predecessors and the Vietnamese too sought greater focus on an economic partnership. As a result, the joint statement following the October 2004 visit to Hanoi by Indian Foreign Minister

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<sup>27</sup> John Cherian, "The Vietnamese Prime Minister's visit comes at a time when his country is emerging as an economic powerhouse in Asia," *Frontline* Vol.24, Issue 14, 14 July 2007.

<sup>28</sup> Rahul Bedi, "Despite India's Protests, Vietnam buys arms from Pakistan," *India News*, 17 August 2007.

<sup>29</sup> "What's Hot? – Analysis of Recent Happenings – Indian Navy Update" *India Defence Consultants*, 20 November 2005.

<sup>30</sup> Rahul Bedi, "Strategic Realignments" *Frontline*, Vol.20, Issue 13, 21 June – 4 July 2003.



Natwar Singh did not include the references to security and defence cooperation that were so prominent in the 2003 Cooperation Framework. India and Vietnam have nevertheless continued and enhanced their tradition of remarkably consistent mutual political support. Vietnam has continued its support of India's position on Kashmir, India's status as a nuclear weapons state, and India's bid for a permanent seat on the UN Security Council. Vietnam took the lead in blocking Pakistan's bid for membership of the ASEAN Regional Forum.<sup>31</sup> India also supported Vietnam in its recent successful bid for a non-permanent Security Council seat.

The development of the bilateral relationship has been complemented by stronger cross-regional links among China's southern neighbours. In November 2000, the Mekong Ganga Cooperation initiative was established, sponsored largely by India and Thailand. Its ostensible purpose is to promote greater east-west transport connectivity between South Asia and Indochina, as well as regional tourism, culture and education. Its members include India, Burma, Thailand, Vietnam and the other Indochinese states. China, a major Mekong river state, was conspicuous by its absence. Indian Foreign Minister Jaswant Singh claimed that the initiative "was not aimed at China or a means of increasing India's power projection."<sup>32</sup> China has shown interest in joining the grouping several times, but has made no formal request (presumably reflecting a desire by the majority of members not to include China). The Indians continue to emphasise the non-security and even non-economic focus of the MGC grouping, describing it as "engaging India's civilisational neighbours."<sup>33</sup> Although it has had few concrete achievements, it remains for both India and Vietnam a potentially useful regional talk shop among China's southern neighbours. China has also taken steps to

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<sup>31</sup> Kripa Sridharan, "Regional Perceptions of India," in Grare and Mattoo, *India and ASEAN*.

<sup>32</sup> Amit Baruah, "Looking East" *Frontline* 8 December 2000, p.50.

<sup>33</sup> E.Ahmad, "Reinforcing Look East Policy."

cultivate a separate grouping of Mekong River states;<sup>34</sup> however, no formal Indochina regional grouping which includes China has yet been established.

Despite slow progress in a number of areas (and a reduced priority in overhauling the Vietnamese armed forces),<sup>35</sup> both the Indians and Vietnamese are continuing to develop their security relationship. A “New Strategic Partnership” was declared during a July 2007 visit by Vietnam Prime Minister Nguyen Tan Dun to New Delhi and the third bilateral Strategic Dialogue held in November 2007 decided to step up training of junior level officers, hold annual security dialogues and to share other expertise. This was followed by a flurry of official visits to Vietnam by the Indian Defence Minister A.K. Antony and senior Indian officers and to India by Vietnamese signatories. In early 2009, Vietnam announced the acquisition from Russia of 12 Sukhoi aircraft and 6 Kilo class submarines. If those acquisitions proceed, it is likely that India will play a significant role in the provision of training and maintenance services for these platforms.

### ***The role of Vietnam in India's ambitions in the South China Sea***

One of the most interesting and intriguing aspects of India's recent attempts to create a security relationship with Vietnam involves India's request in 2000 for rights to the Cam Ranh Bay naval and air base. Indian strategists have long recognised the potential role of Vietnam in controlling the South China Sea and blocking Chinese naval penetration of the Indian Ocean<sup>36</sup> and this was not the first time that the Indians had sought to establish a naval presence in the South China Sea. In the early 1990s, there

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<sup>34</sup> For example, in April 2000 it signed an agreement with Burma, Thailand and Laos (but not Vietnam or Cambodia) relating to Mekong River navigation.

<sup>35</sup> *Jane's Sentinel Southeast Asia* No.22 (2008) p.738.

<sup>36</sup> K.M. Pannikar, *India and the Indian Ocean: An Essay on the Influence of Sea Power on Indian History* (London, George Allen and Unwin, 1945), p.85.

had reportedly been preliminary talks between Indian and Vietnamese officers about the use of Cam Ranh Bay by Indian warships<sup>37</sup> and/or an Indian naval squadron of Bear maritime reconnaissance aircraft.<sup>38</sup>

When George Fernandes visited Vietnam in March 2000, he proffered India's capabilities not only in policing sea lanes of communication in the South China Sea but, significantly, also India's capability in "containing" local conflicts. In referring to the South China Sea, he stated: "A strong India, economically and militarily well endowed, will be a very solid agent to see that the sea lanes are not disturbed and that conflict situations are contained."<sup>39</sup> He was, of course, referring to the longstanding disputes between Vietnam and other littoral states with China over maritime boundaries in the South China Sea. As recently as 1988, the Vietnamese and Chinese navies had clashed in the Spratly Islands, when several Vietnamese naval vessels were sunk. In 1992, Vietnam protested against the Chinese landing troops at Da Luc Reef and the Chinese seizure of Vietnamese commercial vessels. There were further naval confrontations about Vietnam's claims in the mid-1990s and in 2007, the Chinese PLA navy sank an "armed" Vietnamese fishing boat as part of a dispute about the grant of oil exploration blocks. China has stepped up pressure in the South China Sea in recent times, including pressuring oil companies in Vietnam and establishing an administrative body for the Spratly and Paracel islands. The Vietnamese were also involved in military incidents in the South China Sea with Taiwan in 1995 and the Philippines in 1998 and 1999. The disputed maritime boundaries in the South China Sea remain one of Asia's military flashpoints, and represent a clear and continuing strategic divide between China and Vietnam.

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<sup>37</sup> Annuar Kassim "New Delhi Want Use of Hanoi Naval Facilities," *Asian Defense Journal* Vol.9 (1990) p.108.

<sup>38</sup> H.Jenkins, "Dwindling Support Throws *Status Quo* into Sea of Change" *Insight*, 14 January 1991, p.29.

<sup>39</sup> Nayan Chanda, "After the Bomb," *Far Eastern Economic Review*, 13 April 2000 p.20.

However, it should have come as no surprise to the Indians when the Vietnamese turned down their requests to use Cam Ranh Bay. It is widely understood that the Vietnamese consider Cam Ranh Bay as a strategic trump card of great domestic and international political sensitivity. The Soviets were granted rights to Cam Ranh Bay in 1978 as part of the Vietnam-Soviet Friendship Treaty, which was signed by Vietnam only when it became clear that they would require significant Soviet assistance in dealing with both Pol Pot and an increasingly threatening China. While the base was provided as *quid pro quo* for considerable Soviet military and economic support, the Vietnamese quickly decided that they gained insufficient direct benefit from the Soviet presence.<sup>40</sup> By the early 1990s, the Vietnamese were actively trying to evict the Russians, and managed to negotiate their complete departure in 2002.

If the Indians believed in the early 1990s or in 2000 that they might be the post-Cold War inheritors of the strategic mantle of the Soviets in the South China Sea, they were mistaken. Since the late 1980s with the gradual draw-down of the Russian presence, the Vietnamese have sought to use Cam Ranh Bay in what has been called a “subtle game” of balancing relations with the United States and China and seeking to increase Vietnam’s strategic options.<sup>41</sup> During this period the Vietnamese have tried to use Cam Ranh Bay as leverage in its relations with the United States and Japan including as a carrot to normalise relations,<sup>42</sup> obtain aid, and to extract promises in relation to

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<sup>40</sup> For example, the Soviets reportedly failed to provide the Vietnamese with SIGINT information at the time of the Sino-Vietnamese naval clash in the Spratly Islands in 1988.

<sup>41</sup> In November 1988, Vietnamese Deputy Foreign Minister Tran Quant Co stated that “Cam Ranh Bay will be offered to others in the future.” *Bangkok Post*, 28 November 1988.

<sup>42</sup> Vietnamese General Secretary Nguyen Van Linh is reported to have stated in June 1990 that Japan and the United States would be allowed to use Cam Ranh Bay if they agreed to normalise relations with Vietnam. *IDSA News Review on Southeast Asia and Australia*, June 1990.

support of local opposition groups.<sup>43</sup> Even before the final departure of the Russians, the US navy was flirting with the possibility of returning to Cam Ranh Bay and the idea of US access or prepositioning rights (in the style of US access rights in Singapore) appears to have been a regular item on the agenda of US-Vietnamese discussions. While the Vietnamese would undoubtedly be highly sensitive to the potential impact of any foreign naval presence at Cam Ranh Bay on relations with China they would also be increasingly sensitive to the attitude of their ASEAN partners who would be likely to have considerable misgivings over such a development. As a result, the Vietnamese have increasingly emphasised Cam Ranh Bay's commercial rather than military potential in the same way that the former US naval base at Subic Bay in the Philippines has been converted into a commercial port.<sup>44</sup> Thus in November 2004, while on a visit to India, Vietnamese Foreign Minister Nguyen Dy Nien, when asked about use of Cam Ranh Bay by the Indian navy, claimed that it was no longer a military port.<sup>45</sup> Despite substantial political friction between Vietnam and China in 2007 over the Vietnamese grant of oil exploration rights in the South China Sea and revelations of the construction by China of a major naval base on Hainan island there is no reason to believe that Vietnam will quickly revise its attitude towards any Indian military presence in Cam Ranh Bay. Rather, the port is likely to be available to visiting naval vessels on an open access basis.

While one the Vietnamese might not be unhappy to see an increase in India's naval presence in the region, in the current environment it seems unlikely that any (inevitably small) Indian naval presence at Cam Ranh Bay could justify China's likely reaction, whether in strategic or economic terms. The practical benefits for Vietnam

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<sup>43</sup> "Vietnam's Risky Game in the South China Sea," Stratfor, 20 May 2004 <[www.stratfor.com/vietnams\\_risky\\_game\\_south\\_china\\_sea](http://www.stratfor.com/vietnams_risky_game_south_china_sea)>.

<sup>44</sup> Storey and Thayer, "Cam Ranh Bay," at p.461.

<sup>45</sup> P.S.Suryanarayana, "India can help Vietnam integrate with world economy," *The Hindu*, 22 November 2004.

from such an arrangement would seem small and any implicit security guarantees arising from such an arrangement doubtful. One could argue that it would look a little like the French security guarantee of Poland in 1939, but with less credibility. It would also run entirely counter to the Vietnamese strategy of creating security stability so as to provide the basis for economic development. It is therefore difficult in the current strategic environment to see the India-Vietnam security relationship extending much past an arms supply relationship, even assuming that India will overcome its caution regarding the supply of missiles to Vietnam.

### **3.3.3 The dragon is scratching away and the elephant must move fast: economics comes to the fore**

Over the past several years, the India-Vietnam relationship has also increasingly focused on mutual economic interests, particularly so following the announcement of a “New Strategic Partnership” between them in July 2007. The shift of the relationship primarily into the economic dimension reflects India’s increasing economic integration into East Asia, as well as a response to widely-held fears of Chinese economic dominance of Vietnam and the wider region. It is something that the Vietnamese have been emphasising to the Indians for some time. As one senior Vietnamese Foreign Ministry official commented, “The dragon is scratching away and the elephant must move fast.”<sup>46</sup>

Although Vietnam began its process of economic liberalisation and globalisation later than India, its recent economic performance has been impressive, with annual economic growth of around 7-9% and annual export growth of around 25%. Economic growth has been driven to a significant extent by economic integration with ASEAN, and to a lesser extent China. Its location in East Asia in proximity to Japanese and

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<sup>46</sup> “Vietnam for greater economic engagement with India,” The Press Trust of India, 20 June 2007.

South Korean markets, low wage rates and an autocratic political system make it a relatively attractive destination for foreign investment. Nevertheless, Vietnam remains relatively poor and many years behind India in economic development. As a result, India's economic relationship with Vietnam is in many ways the reverse of its relationship with capital rich East Asian states such as Japan, South Korea and Singapore. Vietnam looks to India as a potential investor and provider of technology and manufactured goods. India-Vietnam bilateral trade is growing strongly (though from a low base) from a nominal US\$72 million in 1995 to over US\$2 billion in 2008. In the reverse of India's normal trading position in Asia, the India-Vietnam balance of trade is strongly in favour of India. The Vietnamese are impatient to gain greater access to the Indian market through a reduction of tariff barriers over agricultural and manufactured goods.

Indian FDI in Vietnam aggregated US\$580m in 2006, making it the largest destination of Indian FDI in ASEAN (although it ranks only as the sixth largest source of FDI for Vietnam). Indian FDI in Vietnam is growing, with recently announced investments including a US\$500 million steel refinery, a US\$600 million oil exploration project and a project announced by Tata Steel in 2007 for the establishment of steel mills with a value of US\$4 billion. India and Vietnam have targeted increased future Indian investment in the Vietnamese energy sector, including in oil exploration, refining and downstream marketing and in nuclear and conventional power generation. Some of the proposed and targeted investments have strong political overtones, including, for example, the October 2000 grant to Indian state-owned ONGC Videsh Limited (in partnership with BP) of major gas production blocks in areas of the South China Sea claimed by China. India has also been a strong supporter of the development of civil nuclear technology by Vietnam since the 1970s, and in 2002 funded the establishment

of a joint nuclear research centre in southern Vietnam.<sup>47</sup> However, India's participation in the development of a civilian power industry will likely be limited.<sup>48</sup>

The Vietnamese have given consistent diplomatic support for Indian economic integration in East Asia, reflecting their concern about regional economic dominance by China. The Vietnamese are concerned about the potential for Chinese domination of multilateral arrangements, and were reportedly privately unenthusiastic about the China-ASEAN Free Trade Area, established in 2010.<sup>49</sup> There were also concerns about a proposed East Asian economic community which would not include India. Vietnam publicly supported India's alternative "Arc of Advantage and Prosperity" proposal for an Asian economic community that included India. However, it is apparent to many that an Asia-wide free trade area is many years away. Of more immediate concern, particularly to Vietnam, is to put in place a bilateral free trade agreement with India, including access to the Indian market and facilitation of Indian FDI. In July 2007, the Vietnamese proposed negotiations on a free trade agreement, but the Indians, as beneficiaries of the trade imbalance, have stalled.

Some might see the failure of India to open its markets to Vietnam and actively pursue an economic partnership as being short-sighted in view of India's broader ambitions in the South China Sea. While a long-term political alliance is likely to continue, the experience since 2000 suggests that the relationship needs to be placed on a more

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<sup>47</sup> Some see India's assistance in Vietnam's nuclear program as being pregnant with the potential to provide a strategic parallel to the assistance given by China to Pakistan in the development of nuclear weapons aimed at India. See Bharat Karnad, *Nuclear weapons and Indian Security: the realist foundations of strategy* (New Delhi : Macmillan India, 2005). However, there is no indication that India has been involved in nuclear weapons technology proliferation with Vietnam.

<sup>48</sup> In May 2008, a Japanese company was awarded a contract to develop the Vietnamese nuclear generation industry.

<sup>49</sup> Vuving, "Strategy and Evolution of Vietnam's China Policy," at p.819.



comprehensive footing. Vietnam is enjoying a relatively stable security relationship with China and, at least in the short term, is likely to give priority to economic development over the development of new security partnerships.

#### **3.3.4 Perspectives on India's strategic relationship with Vietnam**

The story of the attempt by India at the turn of this century to inject a significant security dimension into the India-Vietnam relationship is an interesting one. For decades, the political alliance between India and Vietnam has provided a limited exception to the strategic separation between East and South Asia. However, the failure of India to develop its relationship into a substantive security relationship also highlights some of the limitations of New Delhi as a regional security partner, including its reliability as an arms supplier, its limited credibility in projecting naval power beyond its immediate neighbourhood and its failure to fully appreciate the security dynamics of East Asia. Despite hesitations and road bumps in the development of the relationship since the turn of the century, it seems likely in the long term that the relationship will grow in significance - if nothing else as a result of India's closer engagement with the region as a whole. The relationship is underpinned by more than six decades of anti-colonialism, pan-Asian nationalism and fiercely independent foreign policies. Their shared concerns about Chinese hegemony are derived from their past experience of Chinese military aggression and fears of future economic domination. These shared perspectives provide an unusually strong foundation for the relationship.

The development of relations between India and Vietnam since the turn of the century is also an example of the meeting point between two potentially inconsistent strategic forces: on one hand, apparent imperatives to balance against China's rising power and on the other hand, traditions within East Asia of showing formal deference towards China. Developments in the relationship between India and Vietnam might be seen as a case of both forces at work. There can be little doubt that a substantial factor in India's strategic calculus earlier this decade was to balance against China through

strengthening Vietnam's military power. Numerous Indian strategic commentators have pointed to the parallels between China's strategic relationships with Pakistan and Burma and India's relationship with Vietnam. Karnad, for example, claims that "by cultivating a resolute Vietnam as a close regional ally and security partner in the manner China has done Pakistan, India can pay Beijing back in the same coin."<sup>50</sup> Such perspectives contrast sharply with those of Hanoi. Although Vietnam is seeking to diversify its international relationships and further enmesh itself in ASEAN, it is willing to do so only in a context of showing overall deference towards China. As C.Raja Mohan commented, "An acute sensitivity to the changing balance of power in Asia guides the current Vietnamese strategy of befriending the US and Japan and intensifying security cooperation with India without antagonizing China."<sup>51</sup> According to Mohan, Vietnam has the history and self-confidence to play the game of *realpolitik*, something which by implication India is less able.

While Vietnam may not be balancing against China, it is at least signalling to China that it has strategic options. Certainly, Vietnam has over the last decade or so sought to diversify its international relations through the development of partnerships with Russia, India and Japan in addition to its ASEAN partners. In revitalising its relationship with New Delhi at the turn of the century, Hanoi was primarily seeking to form a new partnership to assist in its economic development. It was not seeking to take any actions that would result in the destabilisation of the security of the region – as granting the Indian navy rights to Cam Ranh Bay certainly would have done. India, which unlike many Asian states has no cultural or historical tradition of showing deference to China, may have underestimated the influence of the long tradition of formal deference that Vietnam has shown to China and failed to understand that Vietnam's relationship with the Soviet Union during the latter half of the Cold War was

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<sup>50</sup> Bharat Karnad, "China uses Pak, Vietnam opens to India," *Express India*, 3 October 2005.

<sup>51</sup> C.Raja Mohan, "The Importance of Being Vietnam" *indiaexpress.com* 9 July 2007.

<[www.indianexpress.com/story\\_print.php?storyid=204292](http://www.indianexpress.com/story_print.php?storyid=204292)>.

an exception to this tradition. There is little chance for example that Vietnam would allow India to merely step into the Soviet Union's strategic shoes in Cam Ranh Bay; rather, if India wishes to extend its role as a potential security provider in Southeast Asia it will need to do so in a manner that allows Vietnam and other states to continue their traditions of deference to China. India will also need to take greater care in assisting Vietnam's economic development and not merely treat Vietnam as merely a potential customer or a host for the Indian navy.

It seems that India's relationship with Vietnam will always have a strong political element, although to what extent that is translated into a direct security relationship remains to be seen. While India doubtless has a strong strategic interest in Indochina, its aims can be achieved without an overt security relationship with Vietnam. India may see its interests as best served in focusing on an economic partnership with Vietnam which promotes Vietnam's economic development and India's influence in the region.

## **Chapter 3.4    Developments in India's relations with South Korea**

- 3.4.1    The strategic estrangement of India and South Korea
- 3.4.2    The breakdown of the strategic separation of South and Northeast Asia
- 3.4.3    Recent developments in the India-South Korea relationship
- 3.4.4    Perspectives on an Indian role in Northeast Asia

### **Introduction**

Until recent years there has been a virtually complete strategic disconnection between South and Northeast Asia. There could be few better examples of this than India and South Korea, which managed to virtually ignore each other for almost the first half century of their modern history as independent states.<sup>1</sup> This section will use the India-South Korea relationship to consider the gradual breakdown of the strategic separation between South and Northeast Asia and its implications for India's strategic relationships in East Asia.

#### **3.4.1    The strategic estrangement of India and South Korea**

The strategic history of Asia has often been more of disjunction than of interaction between different parts of the continent, particularly between South Asia and Northeast Asia. The size and power of China has served to strategically divide the region rather than unite it. There can be few better examples than the relationship between India and South Korea (ROK). In the four decades or so following the end of the Korean War, India and ROK had virtually no political and economic interaction: both remained largely preoccupied with their own subregional problems, and both

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<sup>1</sup> See David Brewster, "Developments in India's relations with South Korea: a useful friend in East Asia?" *Asian Survey*, Vol.50 No.2 (March 2010), pp.407 to 425.

ultimately relied on different extra-regional strategic guarantors against the perceived threat from China.

The strategic estrangement of India and ROK throughout this period might be considered odd in some ways. Certainly there were, and continue to be, interesting parallels between the strategic circumstances of India and ROK that might lead one to expect a greater degree of strategic cooperation between them. Both India and ROK were the successors of colonised national entities that gained independence soon after World War II and were immediately partitioned as a result of ideological or religious conflict. For each the partition has occupied a central place in their political culture and discourse, and each identified its “breakaway” neighbour as its most immediate threat. Both shared a resurgent and belligerent Communist China as an immediate neighbour, which they both came to regard as presenting an existential threat. Both fought wars against the Chinese in the early part of the Cold War, resulting in a continuing military standoff.

Despite these parallels, India and South Korea's interactions during the Cold War were largely unhappy. In the early 1950s, India, as Chairman of the Neutral Nations Repatriation Commission, played an important role in persuading China and North Korea (DPRK) to drop their claims to the forcible repatriation of their nationals, allowing the conclusion of the armistice to effectively end the war. In contrast to India's mediating role in the Vietnam war which reflected India's strategic interests in Indochina, India's role in the Korean war did not reflect any direct interest in the Korean peninsula. India's involvement was essentially an opportunity for India to assert a high-minded role as a major independent and nonaligned Asian state standing between the superpowers. However, India's attempts to achieve a negotiated resolution to the conflict were strongly opposed by the South Korean regime which saw its interests in a continuation of the war. The South Koreans took the view that

India was a merely acting as communist fellow-traveller,<sup>2</sup> a view which was later reinforced by India's Friendship Treaty with the Soviet Union in 1971.

For its part, India perceived both ROK and DPRK as mere client states of the superpowers, products of an undesirable intrusion of external Cold War rivalries into Asia. India harshly criticised South Korea's contribution of troops to the Vietnam War in support of the United States in the 1960s, and was equally unimpressed by the North Koreans' attempts to bring their revolutionary fervour to India.<sup>3</sup> As a result, India adopted a policy of equidistant non-interest in both South and North Korea, to the extent even of not having any diplomatic relations with either regime.

The major strategic realignments that occurred in Asia in the early 1970s – the US-China rapprochement and the development of a security relationship between India and the Soviet Union – merely served to reinforce the strategic estrangement of South and Northeast Asia. South Korea, for a period left somewhat isolated by the new alignments, sought to expand its diplomatic contacts with the Soviet Union and India in 1973. However, the Indians, while agreeing to give “balanced” diplomatic recognition to both ROK and DPRK, remained largely uninterested in giving substance to the relationship.<sup>4</sup> India and South Korea would remain strategically estranged until well after the end of the Cold War.

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<sup>2</sup> India's involvement in the POW issue reportedly led to the South Korean President Rhee Syngman “nurturing a vendetta” against Indian Prime Minister Jawaharlal Nehru throughout the 1950s. B.K. Gills, *Korea versus Korea: a case of contested legitimacy* (New York: Routledge, 1996), p.88.

<sup>3</sup> For example, in May 1971 the Indian government threatened to expel North Korean consular officials in New Delhi if they continued to engage in “undesirable activities,” including openly providing classes in guerrilla warfare to interested Indians. *The Times*, 7 May 1971.

<sup>4</sup> In an interesting Cold War twist, India was pressed by the Soviet Union to improve its relationship with South Korea, apparently prompted by indications of South Korean support for Soviet proposals for a regional collective security arrangement aimed at containing China.

### 3.4.2. The breakdown of the strategic separation of South and Northeast Asia

Changes in the international system since the end of the Cold War, especially changes in China's role within Asia, have led to the gradual breakdown of the strategic separation between Northeast and South Asia. One of the starkest reminders of the potential for increased interaction between the regions and of the central role of China was provided by China's support for the development of a relationship between Pakistan and the DPRK during the 1990s, involving the trade of missiles and nuclear weapons technology.<sup>5</sup> This would have a major strategic impact on both the Indian subcontinent and the Korean peninsula.

A security relationship between Islamabad and Pyongyang was first established in 1971 when Pakistan purchased artillery ammunition and spare parts from DPRK for its coming conflict with India. Pakistani and North Korean experts worked together on the Iranian missile program during the 1980s, but it was only with the end of the Cold War that this relationship evolved into cooperation in weapons development, initially in missile and then in nuclear technology. In December 1993, Pakistan Prime Minister Benazir Bhutto visited DPRK to seek assistance in the development of ballistic missiles and in January 1994, Pakistan, DPRK and China signed a formal technical assistance agreement which, officially at least, was concerned with cooperation in missiles and guidance systems.<sup>6</sup> In addition to the major missile components supplied by DPRK to

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See Lee Man-woo, "The Prospect for Normalisation of Relations between Moscow and Seoul," *Korea & World Affairs* Vol.4 No.1 (Spring 1980) at p.129.

<sup>5</sup> For detailed discussions of this relationship see Adrian Levy and Catherine Scott-Clark, *Deception: Pakistan, The United States and the Global Nuclear Weapons Conspiracy* (London, United Kingdom: Atlantic Books, 2007) and International Institute of Strategic Studies, *Nuclear Black Markets: Pakistan, A.Q. Khan and the rise of proliferation networks: A net assessment*, <<http://www.iiss.org/publications/strategic-dossiers/nbm/nuclear-black-market-dossier-a-net-assesment/>>.

<sup>6</sup> *Jane's Defence Weekly*, 15 October 1994.

the Pakistani missile program, China provided significant complementary assistance to Pakistan, including technology, engineering, and components in areas in which the DPRK was still struggling (e.g. guidance systems).<sup>7</sup> As a result, Pakistan, with the assistance of North Korean missile crews, was able to test a modified version of a Nodong missile in April 1998.

According to a 2002 Central Intelligence Agency report, Pakistan began sharing nuclear technology with the DPRK in 1997 when the Pakistani government reportedly realised that it had no more money to purchase North Korean missiles.<sup>8</sup> Pakistan provided the DPRK prototypes of high-speed centrifuge machines as well as information on building a nuclear device. US intelligence reportedly tracked at least 13 visits to North Korea by A.Q.Khan, the so-called "father of the Pakistani bomb" as late as July 2002. Although North Korean officials admitted to possessing nuclear weapons in 2003, there is speculation that Pakistan's nuclear tests in 1998 also included the testing of a North Korean device.<sup>9</sup> Although there have been no public reports of strategic cooperation between Pakistan and DPRK since August 2002 there can be little doubt that incentives for such a relationship continue today.

While publicly available evidence of China's involvement in the Pakistan/DPRK countertrade is limited, it seems highly likely that during the 1990s China actively facilitated the trade in missiles and nuclear technology between Pakistan and the DPRK. As noted, a formal three-way agreement among China, Pakistan, and North

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<sup>7</sup> Joseph S. Bermudez Jr., "DPRK-Pakistan Ghauri Missile Cooperation," 21 May 1998 <<http://www.fas.org/news/pakistan/1998/05/ghauri2.htm>>; and Joseph S. Bermudez. Jr. "A History of Ballistic Missile Development in the DPRK," CNS Occasional Papers: #2 , Center for Nonproliferation Studies, Monterey Institute of International Studies, November 1999. <<http://cns.miis.edu/opapers/op2/op2.pdf>> .

<sup>8</sup> Seymour M.Hersh, "The Cold Test," *The New Yorker*, 78:44, 7 January 2003, p.42.

<sup>9</sup> David E.Sanger and William J.Broad, "Did North Koreans Fuel Pakistan Bomb?" *International Herald Tribune*, 28 February 2004.



Korea was reached in January 1994 involving the trade of missile technology. Given the level of Chinese involvement in Pakistan's nuclear program (including Chinese technicians working at Pakistani nuclear and missile development facilities) it is difficult to believe that China was not aware of the nuclear trade and relationship between Pakistan and North Korea, including the presence of North Korean nuclear technicians in Pakistan.<sup>10</sup> It has also been reported as likely that Pakistani C-130 aircraft, which ferried missile and nuclear technology to and from North Korea, were refuelled in western China.<sup>11</sup> There is little doubt that China, if it so desired, could have halted the trade between Pakistan and North Korea.

What might China gain in this? Pakistan and DPRK, locked in to the (losing) side of decades long conflicts with their neighbours, were apparently motivated by their own immediate security needs and not for broader strategic reasons. China's position is somewhat different. Since 1949, China has successfully managed to keep the power of both India and Japan in check. For China, the Pakistan/DPRK transactions helped in the creation of low-cost local nuclear checks on each of India and Japan while maintaining a measure of deniability. Some argue that this is part of China's overall strategy to tie India and Japan into sub-regional conflicts. According to Mohan Malik:

*"China has played a double game in South Asia and Northeast Asia, having earlier contributed to their destabilisation by transferring nuclear and missile technology to its allies (Pakistan and Korea) and later offering to help contain the problem of nuclear/missile proliferation in South Asia and on the Korean peninsula. Such tactics have buttressed the point that China's "centrality" in regional security issues must be recognised as essential to their resolution.*

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<sup>10</sup> See Thomas Woodrow, "China Opens Pandora's Nuclear Box," *China Brief*, 2:24 (10 December 2002).

<sup>11</sup> Mohan Malik, "The Proliferation Axis: Beijing-Islamabad-Pyongyang," *Korean Journal of Defense Analysis*, Vol. 15 No.1 (Spring 2003), pp.57-100 at p.69.

*...Such a strategy not only obviates the need for China to pose a direct threat to Japan or India, but also allows Beijing to wield its prestige as a disinterested, responsible global nuclear power while playing the role of an impartial, regional arbiter.”<sup>12</sup>*

For the same reasons, the possible development of a nuclear proliferation relationship between DPRK and Burma, another Chinese ally in South Asia, is of major concern to India.<sup>13</sup>

### **3.4.3 Recent developments in the India-South Korea relationship**

#### ***Development of the economic relationship between India and South Korea since the 1990s***

The strategic separation between South and Northeast Asia during the Cold War was reinforced by a very low level of economic contact between each region, including between India and South Korea. However, with the opening and liberalisation of the Indian economy beginning in earnest in 1991 India actively sought investment from both Japan and ROK, kick-started through visits by Indian Prime Minister P.V. Narasimha Rao to Japan in 1992 and then ROK in 1993. While Japanese businesses were slow to take the opportunity, the South Koreans responded quickly, expanding both investment and trade links. Bilateral trade between ROK and India grew from around US\$600m in 1993 to approximately US\$11 billion in 2007<sup>14</sup> and is expected to

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<sup>12</sup> Malik, “The Proliferation Axis: Beijing-Islamabad-Pyongyang,” p.80.

<sup>13</sup> For a discussion of the DPRK-Burma arms supply relationship, including the possible supply of nuclear technology, see Andrew Selth, “Burma and North Korea: Smoke or Fire?” *Australian Strategic Policy Institute Policy Analysis No.47*, 24 August 2009.

<sup>14</sup> “South Korea, India Reach Agreement on Free Trade Pact,” *Agence France-Presse*, 29 September 2008.

reach US\$15 billion in 2010.<sup>15</sup> Indian exports to Korea (largely agricultural and mineral commodities but increasingly low-end manufactures) grew at 25% p.a. in 2006 and Indian imports from Korea (largely machinery and equipment) grew at 37% p.a. with a trade balance currently in favour of India.<sup>16</sup>

Growth in trade has been outmatched by the growth in investment links. From a base of almost nothing, between 1996 and 2001 ROK became the largest Asian investor in India, with aggregate FDI approvals of Rs 92,597 million (US\$1.9 billion), compared with Rs72,503 million (US\$1.48 billion) for Japan and Rs80,296 million (US\$1.63 billion) for all ASEAN countries combined.<sup>17</sup> In 2002, a South Korean government representative announced that ROK aimed soon to be the largest foreign investor in India.<sup>18</sup> Major Korean investors in India have included LG, Samsung, Hyundai and Daewoo, primarily in the automotive and consumer electronics sectors. Korean companies have also successfully employed a strategy of creating so-called "industrial clusters" through encouraging their established Korean subcontractors to also make joint venture or greenfield investments around the new Indian hub. The transplantation of entire production chains has allowed them to manufacture locally with relatively high levels of Indian domestic content, while maintaining standards in quality and price.<sup>19</sup> As a result, Korean brands, cheaper than their Japanese rivals and better quality than Chinese products, have achieved a dominant position in significant

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<sup>15</sup> Lakhvinder Singh, "Future of India-Korea Ties," *The Korea Times*, 21 April 2008.

<sup>16</sup> Pravakar Sahoo, "India-South Korea Trade and Investment Relations" Paper presented at Seminar held by Center for Northeast Asian Economic Cooperation, 10 March 2008.

<sup>17</sup> Nagesh Kumar, "Towards an Asian Economic Community: The Relevance of India" Research and Information System for the Non-Aligned and Other Developing Countries, Discussion Paper #34/2002.

<sup>18</sup> "Korea to raise investments in India," *The Hindu Business Line*, 28 August 2002.

<sup>19</sup> See Jongsoo Park, "Foreign Direct Investment in India since 1991: A Korean Perspective," in Sushila Narsimhan and Do Young Kim (eds), *Korea and India: A Forging Relationship* (New Delhi, India: Manak Publications, 2006), pp.15-44.

portions of the consumer electronics, whitegoods and automotive markets in India, including LCD televisions, washing machines, air conditioners, microwave ovens and mini-cars.<sup>20</sup>

In contrast with many foreign investors who were largely interested only in establishing manufacturing operations to service the Indian domestic market, the South Korean *chaebols* were often also interested in establishing their own version of the Japanese “flying geese” strategy, integrating Indian manufacturing into their Asian and world-wide operations or developing India as a regional hub for doing business throughout South Asia and Middle East.<sup>21</sup> For example, Hyundai now uses India as its hub for the manufacture of small cars for export throughout the world.

The South Korean government has also promoted investment and participation in Indian infrastructure projects, including in railways, roads, bridges, and in the power and communications sectors. As a result, Korean construction companies have won a significant share of contracts awarded for the Indian National Highway Development Project as well as major pipeline construction projects. The level of South Korean investment was boosted by the 2005 announcement of a massive US\$12 billion investment by Korean steel company POSCO to build a steelworks with supporting iron ore mines and export infrastructure in Orissa. This represents the largest single foreign investment in India from any country as well as the largest foreign investment anywhere by a Korean company.<sup>22</sup> The relative level and success of investment from

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<sup>20</sup> Lee Tee Jong, “Made in Korea, loved in India,” *Straits Times*, 27 January 2006.

<sup>21</sup> Nagesh R. Parthasarathi, “India Regional Hub for Korean Firms,” *The Korea Times*, 24 January 2008.

<sup>22</sup> In early 2010, despite significant Indian federal and state government support, the POSCO investment remained stalled by local protesters and the project may be put on hold, demonstrating the continuing difficulty in executing major industrial projects in India.

South Korea stands in marked contrast with India's experience with Japan, South Korea's much larger neighbour.

***The development of closer political and security links between India and South Korea***

While some believe that the India-South Korea relationship will always be primarily defined by economic ties, political and strategic dimensions of the relationship have developed in the last several years, indicative of a more comprehensive relationship. The Pakistan-North Korea nuclear proliferation relationship has been a particular point of focus. In August 2000, South Korean Foreign Minister Lee Jung-binn commented that "India and South Korea are now fully conscious of the new security linkages between the subcontinent and the Korean peninsula" and that India and South Korea were now moving to strengthen cooperation "for mutual reinforcement of peace and stability between our respective regions."<sup>23</sup> India and South Korea subsequently acted as co-convenors of the "Community of Democracies" ministerial meetings held in Seoul in 2002 (an initiative proposed by the US in 2000 and cautiously joined by India).<sup>24</sup> This was followed by the declaration of a "Long-term Cooperative Partnership for Peace and Prosperity" during a visit by South Korean President Roh Moo-hyun to New Delhi in October 2004. An annual Foreign Policy and Security Dialogue was also announced, intended to cover regional and international security issues, bilateral, defence and service-to-service exchanges and counterterrorism. Subsequent exchanges have led to agreements on cooperation in relation to defence logistics, coast guards and energy security in 2005, and the granting to ROK of observer status with SAARC in 2006. As will be discussed later, an India-South Korea Strategic Partnership was declared during President Lee's visit to New Delhi in January 2010.

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<sup>23</sup> C.Raja Mohan, "India, South Korea to strengthen partnership" *The Hindu*, 1 August 2000.

<sup>24</sup> In September 2007 the Bush administration made a renewed proposal for an Asia-Pacific regional democratic club including India and South Korea. South Korea hosted the first senior officials meeting for this association in October 2008.

The developing political relationship between India and South Korea can be analysed in three main areas: first, in its impact on the development of new multilateral economic groupings in Asia; second, bilateral security cooperation, including weapons supply and development programs and defence cooperation; and third, energy security and nuclear-related issues.

***The India-Korea free trade agreement and an Asian Economic Community***

The India-Korea economic and political relationship will be significantly enhanced by a broad-ranging bilateral free trade agreement or Comprehensive Economic Partnership Agreement between India and ROK, which came into effect in January 2010. Based on the India-Singapore Closer Economic Cooperation Agreement, the agreement covers trade in goods and services as well as investment. Although an important step, the agreement should be seen as part of a string of free trade agreements being considered or negotiated by both India and ROK with other states in the Asia-Pacific.

Of perhaps greater long-term significance is the role that South Korea might play in helping India to achieve its vision of a multilateral Asian free trade area encompassing East Asia and India. A major strategic goal of India is its inclusion in any multilateral East Asian free trade area, a goal which China has not helped India to achieve. India has identified Japan and ROK, the two capital rich economies in Northeast Asia, as potentially important allies within ASEAN + 3 in the negotiation of any future multilateral Asian economic grouping. In September 2007, Indian Foreign Minister Pranab Mukherjee called for South Korea to support a broadly defined Asian Economic Community, questioning whether any narrower grouping based only on East Asia will

“serve regional interests, Korean interests” if it “exclude[s] others whose development is integral to the region as a whole.”<sup>25</sup>

The South Koreans have been happy so far to sit on the sidelines of debate about the inclusion of India and/or the United States in a regional economic grouping. One might argue that ROK and Japan as well as the ASEAN states have a shared interest in limiting China's influence in multilateral regional groupings through the inclusion of India. However, the Koreans do not see it in such simple terms. In 2000, South Korea took a leading role in the creation of the East Asian Vision Group to push towards an East Asian economic grouping made up the ASEAN + 3, and they have concerns about the dilution of the “East Asian regional identity” in any broader grouping, perhaps reflecting a desire to support China or perhaps reflecting concerns about their own regional influence through ASEAN + 3.<sup>26</sup> More immediately, they see the issue primarily in terms of a dispute between Japan and China over regional influence, one in which it would prefer not to be directly involved. Perhaps for this reason, at the East Asian Summit in 2005, the South Koreans were happy to see ASEAN placed into the “driver's seat” of the process within the “vehicle” of ASEAN + 3.<sup>27</sup> Others have warned that the attempt by South Korea to play passive “balanced diplomacy” risks leaving South Korea out of important regional relationships and instead the South Koreans should play a more active political role in acting as a “bridge” between China and the regional democracies.<sup>28</sup> South Korea's failure to take a definite stance on the inclusion of India or the United States in a regional economic grouping indicates that for the moment it wishes to keep its options on the subject open.

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<sup>25</sup> Sanjay Kumar, “India Calls for the formation of an Asian Economic Community,” *Malaysian Sun*, 17 September 2007.

<sup>26</sup> Park Sang-seek, “Reshaping East Asia: East Asian summits,” *The Korea Herald*, December 19, 2005; Kwon Yul, “Challenges and Future Prospects for East Asia Summit,” *The Korea Herald*, 12 December 2005.

<sup>27</sup> Ryu Jin, “Asia Summit Augurs Power Struggle,” *Korea Times*, 15 December 2005.

<sup>28</sup> Michael Green, “Korea's role in Asia's new regionalism” *JoongAng Daily*, 13 June 2007.

### ***Security cooperation between India and South Korea***

The other area of focus of the India-ROK political relationship has been in enhancing security cooperation. In May 2007, Indian and South Korean Defence Ministers held their first ever consultations with the Indian Defence Minister commenting that: "The military field needs to keep up with the development of the two sides' economic cooperation."<sup>29</sup> The declaration of a "Strategic Partnership" by President Lee and Indian Prime Minister Singh in January 2010 included an enhanced focus on political and security cooperation. This included an agreement for an annual security dialogue between respective foreign secretaries and cooperation in joint development of defence technology. There is also potential for enhanced cooperation in relation to India's role as a maritime security provider to South Korea in the Indian Ocean region.

Prior to 2005, defence industry cooperation was extremely limited, and the South Korean defence industry had been virtually locked out of the Indian arms market.<sup>30</sup> However, since 2005 there have been some important steps forward in defence industry cooperation with India, including in the joint development of self-propelled artillery and mine-countermeasure vessels. In March 2007, the Indians and South Koreans began talks on the development and purchase by South Korea of 5,000 ton frigates, armoured vehicles and military trucks, and South Korea now hopes to also sell KT-1 jet trainers to India.

Direct cooperation between Indian and South Korean defence forces had been virtually non-existent prior to 2005. The Indians have proceeded cautiously on this front, beginning with a memorandum of understanding in relation to the Indian and ROK

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<sup>29</sup> Satu Limaye, "India-Asia Pacific Relations: Consolidating Friendships and Nuclear Legitimacy," *Comparative Connections*, Vol.9 No.4, January 2008, <[http://www.csis.org/media/csis/pubs/0704qindia\\_asia.pdf](http://www.csis.org/media/csis/pubs/0704qindia_asia.pdf)>.

<sup>30</sup> Except for a small number of inshore patrol craft supplied by South Korea in the early 1980s.



coastguards. This led to joint coastguard exercises in July 2006 which happily coincided with nearby Indian and US bilateral naval exercises. India and South Korea have subsequently agreed to hold joint naval exercises and regular military consultations. Naval cooperation between India and ROK will initially focus on search and rescue and anti-piracy. In practical terms, South Korea sees India's capabilities in providing maritime security for South Korea's sea lines of communication across the Indian Ocean (including the Strait of Malacca). For its part, India would likely welcome South Korea's recognition of India's predominant role as a maritime security provider in the Indian Ocean region.

The potential for security cooperation between South Korea and India on the Korean Peninsula is more doubtful. It is arguable that India has a clear interest in seeing the development of a strong and unified Korea sitting on China's eastern flank. Some observers have called India "a legitimate dialogue partner in any future settlement with North Korea," and the South Korean government has requested that India use its "special status" with the two Koreas to support its position in the Six-Party Talks.<sup>31</sup> India could conceivably play an honest broker role between South Korea and North Korea as it did during the Korean War but, in reality, India has little leverage over North Korea and China would likely strenuously object to any Indian role in the region.<sup>32</sup> It seems that New Delhi has no taste to become involved in Northeast Asian security issues whether on the Korean Peninsula or in the Taiwan Strait.<sup>33</sup> It is not

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<sup>31</sup> Kim Il-young and Lakhvinder Singh, "The North Korean Nuclear Program and External Connections," *The Korean Journal of Defense Analysis*, Vol. 26 No.1 (Spring 2004), p.98.

<sup>32</sup> It should be noted that India has acted as an arms supplier to North Korea in the past including supplying Soviet-made weaponry, using its expertise in Soviet weapons to assist North Korea in upgrading MIG-21 planes, and extending the life of other Soviet supplied equipment during the 1990s. *The DPRK Report* (November-December 1996), <<http://cns.miis.edu/archive/dprkrprt/96novdec.htm>>.

<sup>33</sup> Zhao Gancheng, "India: Look East Policy and Role in Asian Security Architecture," Position Paper at the SIIIS-Brookings Conference on Regionalism in Asia, December 11-12, 2006.

entirely clear whether India's hesitancy in involving itself in Northeast Asian security issues arises from provoking China in its own backyard (which may, for example, lead it to retaliate in relation to Kashmir) or if India regards Northeast Asia as simply beyond its area of interest. In some ways, India's policy towards DPRK seems to be stuck in the NAM era. In an apparent continuation of its Cold War era policy of "equidistance" between North and South Korea, the Indian government, seemingly for domestic political reasons, withheld criticism of the DPRK over its April 2009 ballistic missile tests and muted any criticism over DPRK's nuclear test in May 2009.<sup>34</sup> India's unwillingness to support its strategic partner over these developments may be a reminder of the potential limitations of India as a regional security partner.

Any suggestion that the India-South Korea relationship might evolve into a coalition to contain China should also be treated with a large degree of caution. Any wish on the part of the South Koreans to develop a security relationship with India is likely to be driven less by any strategy to balance China and more by a desire to remain involved in the evolving US strategy in the Asia-Pacific, in which India seems likely to play a key role. Since the acceleration of the strategic relationship between the US and India in recent years, there has been pressure on US regional allies to improve relations with India, including calls for US allies to "collaborate to promote strategic stability in South Asia and to give greater weight to India's role in Asia and in international institutions."<sup>35</sup> The Koreans felt keenly their exclusion from the US-Japan-Australia trilateral relationship earlier this decade,<sup>36</sup> which was heightened by India's

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<sup>34</sup> Siddharth Varadarajan, "India in dilemma over North Korean satellite launch" *The Hindu*, 6 April 2009, and "India urges N Korea to return to talks" *Indian Express*, 24 June 2009. The DPRK thanked India for its stance on the missile tests.

<sup>35</sup> Robert D. Blackill, "An Action Agenda to Strengthen America's Alliances in the Asia-Pacific Region," in Robert D. Blackwill and Paul Dibbs (eds), *America's Asian Alliances* (Cambridge, Massachusetts, United States: The MIT Press, 2000), p.129.

<sup>36</sup> Jin Dae-woong, "U.S., Japan, Australia push triangular alliance," *The Korean Herald*, 5 September 2007.

participation in the 2007 Malabar naval exercises with the United States, Japan, Australia and Singapore and by Japan's 2007 Quadrilateral proposals for a security dialogue with India, the United States and Australia.<sup>37</sup> In recent years, under the "Global Korea" policy, ROK has played an unprecedented role in regional security beyond its traditional concerns on the Korean peninsula, including naval deployments to the Gulf of Aden and a 500 member Provincial Reconstruction Team to Afghanistan. Some see this as part of a broadening in focus of ROKs' US alliance.<sup>38</sup> There has also been significant movement in developing a web of bilateral security relationships in the region through various Security Declarations between India, Japan and Australia, and a declaration between ROK and Australia in March 2009. There has been talk of a Security Declaration between ROK and Japan and one wonders whether a Security Declaration between ROK and India may also be possible. For ROK, bilateral security relationships are much more palatable than the anti-China implications that seem inherent in a multilateral approach. For this reason, any enhanced security relationship between India and ROK would most likely remain only at a bilateral level rather than involving US regional allies, something which the Indians would also likely see as desirable given their own cautious attitude towards multilateral security relationships.

### ***Energy security and the nuclear issue***

Given the high level of energy dependency of both India and ROK, energy security issues are likely to play an increasing role in the relationship. In November 2005, India and ROK entered into a number of agreements on cooperation in the energy sector, including strategic alliances and South Korean assistance in the construction of

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<sup>37</sup> Sandip Kumar Mishra, "South Korean Posture on the Indo-US Deal and NSG," *Institute of Peace and Conflict Studies China & East Asia*, Article No.2393, 15 October 2007.

<sup>38</sup> Scott Snyder, "South Korea's Emerging Global Security Role," *World Politics Review*, 23 March 2010.

strategic underground petroleum storage facilities. In the future there will undoubtedly be further opportunities for cooperation in energy security (such as a proposal involving South Korea taking its gas from an Indian joint venture in nearby Sakhalin in return for India taking gas from Korean contracted supplies from Indonesia and Australia). Nevertheless, India and South Korea will remain long term competitors for hydrocarbons in Asia. This was amply demonstrated in early 2007 when Daewoo pushed India out of long term gas contracts with Burma (although the South Koreans themselves were subsequently pushed aside by Chinese interests).

One of the most sensitive and difficult issues that India and South Korea have addressed in recent times is India's nuclear status. Although South Korea has a vital interest in the international nuclear non-proliferation order and the denuclearisation of the DPRK, it has taken a relatively muted position on India's development of nuclear weapons. Its reaction to India's Pokhran II nuclear tests in 1998 was much softer than say Japan's. Despite concerns about the impact on South Korea's stance on the non-proliferation order,<sup>39</sup> South Korea had "no reservations" in supporting the India-US nuclear deal in the Nuclear Suppliers Group in August 2008, and has taken the position that it "was up to India's discretion" whether or not to join the Nuclear Non-Proliferation Treaty.<sup>40</sup>

South Korea may be rewarded for its flexibility on nuclear issues. Both South Korea and India have had limited cooperation in civilian nuclear technology since at least the mid-1990s<sup>41</sup> and in January 2010 announced the commencement of negotiations over a new civilian nuclear cooperation agreement. This is expected to put South Korea's large and politically powerful nuclear industry in good stead to play a significant role in

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<sup>39</sup> A South Korean representative in the Six-Party talks reportedly expressed reservations about the India-US deal on this basis. Mishra, "South Korean Posture on the Indo-US Deal and NSG."

<sup>40</sup> P.S.Suryanarayana, "No reservation over India deal," *The Hindu*, 22 September 2007.

<sup>41</sup> P.S.Suryanarayana, "Pranab in Seoul for Talks," *The Hindu*, 17 September 2007.

the development of the Indian nuclear power sector. As will be seen in Part 4, South Korea's flexibility on nuclear issues stands in marked contrast to that of Japan.

#### **3.4.4 Perspectives on an Indian role in Northeast Asia**

How can we best view the bilateral relationship? Certainly India represents a major economic opportunity for South Korean businesses seeking investment and trade opportunities. The fast and flexible response of South Korea to the liberalisation of the Indian economy in the early 1990s gave it a first mover advantage, allowing South Korean businesses to make big inroads into the Indian consumer electronics and automotive sectors. The more recent focus on infrastructure and the development of India as a regional business hub is consistent with South Korea playing an even larger role in the Indian economy.

There is also significant potential for a broader political relationship. Most immediate are issues relating to Asian economic integration and the development of multilateral economic arrangements not overly dominated by China. Here, it is arguable that India and South Korea (and Japan) all have similar interests. South Korea, as a middle power in particular, will likely be forced to play a delicate balancing game between China, Japan and the United States. There are perceptions that South Korea's previous attempts at middle power diplomacy (including attempts to mediate the North-South economic relationship within APEC) have met with little success and there is a sense of uneasiness in South Korea about a sense of "sitting on the fence" or being a "loner" in East Asian affairs.<sup>42</sup> Some believe that South Korea's previous perceptible tilt towards China has changed under the current President, Lee Myung-bak, towards a more balanced approach towards China and the United States, which has been called a

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<sup>42</sup> For a discussion of South Korea's attempts at middle power diplomacy since the 1960s, see Brian Bridges, "From ASPAC to EAS: South Korea and the Asia-Pacific Region," Center for Asian Pacific Studies, Lingnan University, Working Paper No.172 (August 2006).

policy of “twin hedging” to maximise South Korea’s strategic and economic position between the two.<sup>43</sup> The South Koreans may find that a closer political relationship with India a helpful addition in balancing the conflicting demands made on it by China, the United States and Japan.

For India, closer political relations with South Korea could be part of a useful balance to China’s “all weather friendship” with Pakistan and its more recent cultivation of other friendships in South Asia.<sup>44</sup> South Korea (and, as will be seen, Japan) are also useful allies in balancing Chinese influence in key regional fora and ensuring the inclusion of India in any Asian economic grouping. Although some in New Delhi might see the development of closer political relations as part of a process of bringing the ROK into an informal balancing coalition among India, the United States, Japan and Australia, there is little evidence of this in South Korean thinking.

An alternative analysis might be to see the development of relations between India and ROK not as an exercise in balancing against China, but more as a consequence of a gradual merging of previously separate regional security complexes in Asia. The development of the India-South Korea relationship reflects a region-wide process of the breakdown of economic and political barriers between South and Northeast Asia that has been happening since the end of the Cold War. To the extent that economics has acted as a driving force in the development of cross-regional relationships, one could argue that it is part of the globalisation process which is breaking down historical barriers throughout Asia and elsewhere. As a result, states in South and East Asia are increasingly likely to perceive shared interests – not only in their dealings with China,

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<sup>43</sup> See Sukhee Han, “From engagement to hedging: South Korea’s new China policy,” *The Korean Journal of Defense Analysis*, Vol. 20 No.4 (December 2008), pp.335-351.

<sup>44</sup> Including Bhutan, Bangladesh, Nepal, the Maldives and Sri Lanka. See Mohan Malik, “China’s Strategy of Containing India,” *Power and Interest News Report*, 6 February 2006, <[http://www.pinr.com/report.php?ac=view\\_report&report\\_id=434](http://www.pinr.com/report.php?ac=view_report&report_id=434)>.

but also in say, exploring complementary economic capabilities and in dealing with a whole range of security problems. While these relationships may not necessarily be directed at China, it is certainly the case that China can no longer assume that it will be free to operate in East Asia without regard to India.

## **Part 4 - India's strategic engagement with Japan**

This part will make a detailed examination of India's strategic relationship with Japan.

**Chapter 4.1** will give a historical perspective, tracing the major points of strategic interaction during the second half of the twentieth century. **Chapter 4.2** will detail the development of the strategic relationship over the last decade and consider how the relationship fits with contemporary strategic thinking in India and Japan. **Chapter 4.3** will consider some potential constraints on the development of the relationship.

The key themes that will be examined in this part are:

- India and Japan have historically exhibited an extraordinary degree of strategic indifference towards each other. China, even when perceived as a threat, served to separate rather than unite them.
- An Indo-Japanese partnership is now consistent with several different streams of strategic thinking in both India and Japan. There is a possibility of a "grand strategic bargain" between them, effectively involving a coalition against China and the recognition by Japan of India's status as a great power.
- There are several constraints on the further development of the India-Japan relationship. They are largely up to Japan to resolve.



## **Chapter 4.1 India-Japan strategic relations from 1942 to 1998**

- 4.1.1 Overview of the India-Japan strategic relationship 1942-1998
- 4.1.2 India's role in Japan's East Asian empire
- 4.1.3 India's perspectives on Japan's post-war settlement in 1951
- 4.1.4 Japan's perspectives on the 1962 Sino-Indian war
- 4.1.5 Proposals for an India-Japan axis against China in the 1960s
- 4.1.6 Japan and India's 1998 nuclear tests

### **Introduction**

This chapter examines the strategic relationship between India and Japan between 1942 and 1998, a period beginning with Japan's bid for an East Asian empire and ending with India's reach for great power status. It is a period in which both India and Japan demonstrated a remarkable degree of mutual indifference. This chapter will examine key strategic interactions between Japan and India during this period in order to discern the underlying reasons for this indifference and so better understand the contemporary relationship and how it is likely to develop in coming years.

This chapter will provide an overview of the strategic relationship between India and Japan between 1942 and 1998. Subsequent sections will make a detailed examination of the discrete episodes of strategic interaction between India and Japan during the twentieth century. These episodes will be used to illustrate several propositions regarding the relationship which are essential in understanding the contours of the India-Japan strategic relationship: first, that Japan has historically seen its strategic interests as being limited to East Asia and the Pacific, while India had few interests in Northeast Asia; second, that India has rejected any strategic role for Japan in South Asia; and third, that both India and Japan have historically given priority to their relationship with China over their relationship with each other. As will be seen later,

some of these themes continue to play a role in Indian and Japanese strategic thinking today.

#### **4.1.1 Overview of the India-Japan strategic relationship 1942-1998**

In early 1942 Japan was at the zenith of its bid for an East Asian empire. Much of China was under Japanese occupation and Japan had apparently destroyed the US Pacific Fleet and roundly defeated the European colonial powers in Southeast Asia. As will be discussed in section 4.1.2, in May 1942 when an apparently invincible Japanese army stood at the border of India, both Japanese and Indian leaders were forced to consider the strategic connection between India and East Asia. To what extent did Japan see South Asia as a region that was important to its own strategic needs? To what extent were Indian leaders willing to submit, even for tactical reasons, to Japanese strategic dominance over South Asia? As will be seen, both Japanese and Indian leaders provided a clear answer that Japan was seen as having no significant strategic role in South Asia.

Following Japan's defeat at the hands of the United States and its allies, there was considerable uncertainty about a new regional order. India, as the earliest and largest decolonised state in Asia, sought the departure of all "external" powers from the region as a prelude to a new regional order that would be led by it and China. Indian leaders believed that the prostrate Japan should also be encouraged to rise again as a peaceful power and a source of economic development for India and the region as a whole. However, the developing confrontation in Asia between the United States and the Soviet Union and the People's Republic of China during the late 1940s led the United States to conclude that Japan would be an essential element in the US regional alliance system to contain communist expansionism. This would involve a peace treaty returning partial sovereignty to Japan and an agreement giving the United States responsibility for Japan's security. Neither the Soviet Union nor the PRC could be parties to these arrangements. As will be seen in section 4.1.3, in a show of

solidarity with the PRC, the newly independent India rejected the Japanese peace treaty and Japan's new security arrangements with the United States.

For much of the remainder of the Cold War, New Delhi saw the Japanese government as little more than a US puppet with little value as a potential strategic partner, although it did see Japan as a potentially important economic partner in industrialising India's economy. While Nehru was a popular figure among some in Japan, representing a possible "third way" for Japan's security needs, the Japanese government increasingly saw India's policy of nonalignment as untenable and India as an unreliable economic partner. Section 4.1.4 discusses how these perspectives were brought into relief with the 1962 Sino-Indian war which Tokyo saw as an outcome of India's arrogant and unrealistic attitudes towards China. Attempts during the second half of the 1960s by Western states and the Soviet Union to bring India and Japan together to anchor an axis to contain China were also a failure. As will be detailed in section 4.1.5, despite similar concerns about the potential threats posed by China, neither New Delhi nor Tokyo had any real interest in developing a security relationship with the other – each in effect went their separate way in addressing these concerns.

The political and economic relationship between India and Japan stayed largely frozen for much of the remainder of the Cold War, with India seeing itself as having no direct interests in Northeast Asia and Japan as having few interests in South Asia. The strategic realignments of the early 1970s, with China joining with the United States and Japan to oppose the Soviet Union, and India joining with the Soviet Union against China, cemented India and Japan's strategic estrangement. Underlying these differing Cold War alignments was also a deeper clash of strategic goals – Japan's preparedness to cede strategic autonomy in pursuit of economic development stood in stark contrast with India's pursuit of strategic and economic autonomy, often at the cost of economic development. As a result, for most of the 1970s and 1980s there was little cause for strategic, political or economic interaction. From the 1970s, India focused on internal economic development, becoming possibly the most closed economy of

significant size in the world. Despite regular pleas for Japanese investment, in reality India was not interested in pursuing the model for economic development followed by many Southeast Asian states. Rather, India pursued a model of virtual economic autarchy, with a closed economy based on import substitution, licensing to inhibit competition and a major role for the state-owned sector. From the early 1970s, apart from agricultural products, Indian trade in goods was largely with the Soviet Union and its satellites. In contrast, Japan, while sheltering under the US security umbrella, pursued a policy of economic mercantilism in which Japanese companies sat at the top of an export production chain covering much of East Asia, allowing Japan to become the second largest exporter in the world.<sup>1</sup> As part of Japan's "flying geese" strategy, Japanese investment was largely channelled to Southeast Asia and China, where investors generally found cooperative governments and compliant workforces. Japanese investors had virtually no interest in South Asia which was seen as "too hard." By 1991 cumulative Japanese investment in India was negligible, representing only 0.1% of all Japanese foreign investment.<sup>2</sup> By the early 1990s, Japan was one of the richest states in the world, while India remained one of the poorest.

Although the end of the Cold War and the collapse of the Soviet Union removed some obvious impediments to strategic engagement, neither India nor Japan saw any clear benefits from a close relationship. Renewed attempts by India from 1991 to promote an economic partnership with Japan held little attraction for Japanese business and India focused its energies on building relationships in Southeast Asia. Japan also had hesitations about India's participation in East Asian political and economic arrangements, including strong reservations about its membership of the ARF which

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<sup>1</sup> For an excellent discussion of the Japanese political, economic and strategic system through the Cold War, see Pyle, *Japan Rising*.

<sup>2</sup> Hideko Esho, "Japanese investment in South Asia: The case of India" in Purnendra C.Jain (ed.), *Distant Asian Neighbours: Japan and South Asia* (New Delhi: Sterling Publishers, 1996), p.68.

only receded in 1996 after US opposition was overcome.<sup>3</sup> Instead, Japan's strategic interest in India during the 1990s was largely defined by attempts to persuade India to cease its nuclear weapons program and become part of the international nuclear non-proliferation order. As will be seen in section 4.1.6, Japan's activism in relation to India's nuclear status was motivated more by Japan's disinterest in South Asian strategic affairs than by any direct interest. When India declared itself as a nuclear weapons state with its 1998 Pokhran II nuclear tests, Japan led international condemnation of India, a position that caused significant resentment in New Delhi and was wholly unsuccessful in causing India to renounce nuclear weapons.

Underlying the profoundly different strategic perspectives of Japan and India during the twentieth century were different concepts of "Asia." From the Japanese perspective this was reflected in a particular cultural and geographic understanding as to where "Asia" begins and ends and in perceptions of social incompatibility between Japanese and Indian people. Both these factors contributed to the strategic disconnection between the two. For many Japanese, "Asia" has historically meant East Asia. India was seen as occupying a wholly separate cultural, economic and geo-strategic sphere to Japan. Japan also perceived India as falling outside of its security environment, which was defined as primarily Northeast Asia, but in broader terms, East Asia and the Pacific. As the distinguished Indian journalist, Durgas Das, noted: "A majority of [Japanese] bureaucrats prefer to exclude India from the Asian personality, which according to them ends on the borders of Burma and Malaysia."<sup>4</sup> In 1967, the Japanese delegation to a conference, organised to explore the possibility of a trilateral Australian-Japan-India strategic relationship, pondered the question of whether India was an Asian country at all.<sup>5</sup> Such perceptions led Japan to withhold support for

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<sup>3</sup> Datta-Ray, *Looking East to Look West*, p.288.

<sup>4</sup> Durgas Das, "Japan's Role in Asia," *Indian and foreign review* Vol. 7 No.18, 1 July 1970

<sup>5</sup> J.D.B.Miller (ed.), *India, Japan, Australia, partners in Asia?* (Canberra : Australian National University Press, 1968), p.86-7.

India's participation in various regional fora for several decades, including in the South-East Asian Ministerial Conference for Economic Development in the late 1960s, and APEC and the ARF in the 1990s. Although Japan has in recent years come to see India as an important participant in regional groupings, it has arguably still not yet demonstrated a clear understanding as to how India might fit in "East Asia."

For its part, India has had a longstanding self-perception of its cultural centrality to Asia; however this has not translated into the strategic dimension. In the years following independence in particular, many Indian scholars wrote about a "Greater India" to describe what they saw as India's "commanding" cultural influence over South and Southeast Asia. Some also saw great significance in India having been the birthplace of Buddhism which was carried to China and then Japan.<sup>6</sup> Despite these claims, throughout the Cold War India's strategic perspectives were almost exclusively focused in South Asia and India actively disclaimed any positive strategic role in Southeast Asia or any substantive role in Northeast Asia.

Underlying these "geo-strategic" perceptions is what many observers see as a particular cultural and social incompatibility between Japanese and Indian peoples. One commentator in the 1960s noted the "formidable" cultural and linguistic barriers that stood between Japanese and Indians, adding that: "No two people could have been more unlike or mutually impenetrable."<sup>7</sup> Similarly, Nakane Chie, a noted Japanese anthropologist, commented that while the Japanese were able to cope in social terms in China and Southeast Asia, there was a "fantastic difference between the two sets of cultural values" of Japan and India that makes Indian culture "almost incomprehensible" to Japanese people. He concluded that the boundary between East

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<sup>6</sup> See generally, T.A.Keenleyside, "Nationalist Indian Attitudes Towards Asia: A Troublesome Legacy for Post-Independence Indian Foreign Policy" *Pacific Affairs*, Vol.55, No.2 (Summer, 1982), pp210-230 at 213.

<sup>7</sup> Lawrence Olson, *Japan in Postwar Asia* (London: Council on Foreign Relations, 1970), p39.

and West lies not between Asia and Europe, but somewhere between India and Burma.<sup>8</sup> Another observer commented that, “On the one level the Indians showed respect for Japan’s modernising experience... Yet [the Japanese] were condescended to constantly by the Indians, who saw them as opaque, uncommunicative members of an essentially derivative civilisation.”<sup>9</sup> This dissonance goes well beyond the cultural or social sphere and was arguably an important underlying factor in the failure of India and Japan to develop any meaningful economic or political relationship.

Some believe that Japanese perceptions about India’s role in Asia are changing. As will be discussed in chapter 4.2, claims by Japanese Prime Minister Shinzo Abe in 2007 that the India-Japan relationship “will be the most important bilateral relationship [for Japan] in the world”<sup>10</sup> would have been unthinkable even 10 years earlier. Former Japanese Ambassador to India, Yasukuni Enoki, comments that “For many decades, Asia has been, to the Japanese mind, almost identical with East Asia,” but that the “scope of Asia” was now changing in the Japanese mind to include South Asia.<sup>11</sup> Others doubt that a significant change has occurred in Japanese perceptions. According to Jain: “...except for a few symbolic events, very little has changed. Japan’s foreign policy concern has been the Asia that Japan knows and needs most – East and Southeast Asia. It is Pacific Asia. It has not been the Asia of the subcontinent, in which

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<sup>8</sup> Nakane Chie, “Logic and the Smile: When Japanese meet Indians” *Japan Quarterly*, Vol.11, No.4 (Oct/Dec 1964), pp.434-438

<sup>9</sup> Olson, *Japan in Postwar Asia*, p229.

<sup>10</sup> K. Venugopal, “Japan’s guarded, positive response on nuclear issue,” *The Hindu*, 16 December, 2006.

<sup>11</sup> “The Japan-India New Partnership”, speech to the United Services Institute, New Delhi, 28 May 2004.

Japan sees little basis for emotional, strategic, economic or other practical connection....”<sup>12</sup>

This chapter will now examine key episodes of strategic interaction between India and Japan prior to 1999. As will be seen in chapter 4.2, many of the perspectives shown in these episodes remain relevant to their strategic relationship today.

#### **4.1.2 The position of India in Japan’s East Asian empire**

In May 1942 a victorious and apparently invincible Japanese army stood at India’s eastern border. The British army, routed in Malaya and Burma and having lost much of its trained troops and equipment, seemed unlikely to stop the Japanese advance. The British Eastern Fleet had fled to Africa the previous month, leaving India’s east coast virtually undefended. It seemed to many that India was ripe to be conquered – that Japan, perhaps with the assistance of Indian nationalists, would liberate India from the British imperialists and India would in one way or another fall within the bounds of a new Japanese empire in Asia.

This moment represented the first significant strategic interaction between Japan and India in modern times, and in some ways would set the tone of strategic interaction between them for the next 60 years. Despite its apparently overwhelming strategic position, the Japanese army halted on the Burmese border in 1942 and by the end of the war would never occupy more than an insignificant portion of Indian territory. In fact, other than concerns about securing the flanks of its empire in East Asia, Japan had little interest in conquering India. There were good practical reasons for this: India was seen as too big and ungovernable, there were concerns about overstretch of

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<sup>12</sup> Purnendra Jain, “India’s Calculus of Japan’s Foreign Policy in Pacific Asia” in Takashi Inoguchi (ed.), *Japan’s Asian Policy: Revival and Response* (New York: Palgrave, 2002), pp.211-236 at p.232.



Japanese forces and there were geographic obstacles to invasion. However, underlying Japan's decision to halt at India's border was a sense that India did not fall within what Japan considered its strategic environment - India was seen as not belonging within Japan's empire, the so-called Greater East Asia Co-Prosperity Sphere. Although during the 1930s and early 1940s there were many "research groups" in Tokyo making plans about Japan's imperial expansion, very few had particular ideas about India. While some planners assumed that India would eventually become somehow associated with Japan's new sphere of influence in East Asia, Tokyo was also willing to trade a sphere of influence over India away to other powers. In September 1940, when considering joining the Tripartite Pact with Germany and Italy (with which the Soviet Union was then more or less associated through a non-aggression treaty with Germany), Tokyo was primarily interested in obtaining recognition of its sphere of influence in East Asia and was willing to concede India and Iran to the Soviets as the price of directing Soviet attention away from East Asia. According to Hauner's exhaustive study of the place of India in Japanese war plans: "It became more convenient therefore to keep India ready as a pawn for future diplomatic bargaining, especially after 1940, in order to win Soviet partnership, or at least neutrality, against the Anglo-Saxons."<sup>13</sup>

At the same time, Tokyo made few real efforts to encourage Indian aspirations towards independence.<sup>14</sup> In November 1941 a Japanese Imperial Conference decided that, as a matter of principle, Japan should seek to "separate" India from Britain and to "stimulate" the Indian independence movement; however, it was not decided when

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<sup>13</sup> Milan Hauner *India in Axis Strategy: Germany, Japan, and Indian Nationalists in the Second World War* (Stuttgart: Klett-Cotta, 1981), p.107. A perspective which had echoes in Japan's relative indifference towards the expansion of Soviet influence in India in the 1970s.

<sup>14</sup> *Ibid.*, p.407.

and how this would be brought about.<sup>15</sup> The Japanese Army sought to mobilise captured Indian soldiers along with soldiers from other East Asian states to serve Japanese forces as armed auxiliaries.<sup>16</sup> However, the Japanese Foreign Ministry retained significant concerns about the governability of an “independent” India under Japanese suzerainty and the ability of the Indian nationalist movement to establish an “independent, orderly state” if the British were driven out.<sup>17</sup> In 1943, the Japanese leadership concluded that the Japanese army should occupy the northeast territories of India, principally to disrupt Allied supply lines to Chinese Nationalist forces and to protect the Japanese flank in Burma. However, an attempt by Japanese troops to occupy Indian border towns in 1944 was routed by British-led forces.

The great majority of Indian nationalist leaders also had little appetite for cooperation with Japan in their struggle for independence: Japan was generally regarded as presenting a greater danger to Indian freedom than the British Raj. In early 1942, Indian nationalists were at a standoff with the British in their bid for a negotiated independence. Although they had significant political leverage over Britain, especially since the outbreak of the European War in 1939, the British were standing firm against granting India any political autonomy until after the end of the war. The apparently imminent invasion by the Japanese provided Indian nationalists with a choice and an opportunity. Indian nationalist leaders knew that if they chose, they could effectively destroy any British-led defence of India through violent protest, mutiny, strike or civil disobedience. However, the prospect of Japanese forces at India’s borders also focused their minds as to the consequences of a British military withdrawal. The

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<sup>15</sup> Joyce C. Lebra (ed.), *Japan’s Greater East Asia Co-Prosperity Sphere in World War II: Selected Readings and Documents* (London: Oxford University Press, 1975), at p.64.

<sup>16</sup> Later to be led by Subhas Chandra Bose, a former Congress leader who organised captured Indian soldiers to assist the Axis side against Britain, first unsuccessfully in Europe and then with more success in Asia.

<sup>17</sup> Willard H. Elsbree, *Japan’s Role in Southeast Asian Nationalist Movements 1940 to 1945* (New York, Russell & Russell, 1970)

compromise arrived at by the Indian National Congress by mid 1942 was to seek a handover of power while also seeking British military protection from the Japanese. While they would not give the British administration their positive cooperation, neither would they do anything to “embarrass” a British-led defence of India against the Japanese. Although debates over the nature of support that should be given to Britain to resist any Japanese invasion led to a split within the Indian National Congress, all major nationalist leaders were firm in their opposition to Japan. Nehru, in particular, threatened, “guerrilla warfare” and “a scorched earth policy” should the Japanese ever try to enter India.<sup>18</sup> This decision allowed Britain to raise a huge volunteer Indian army which made a significant contribution to the defeat of Japan in Burma and, arguably of even greater significance, allowed the maintenance of US supply lines to China over the Himalayas. Interestingly, while the fighting between Japanese and British Indian Army forces along the Burmese border between 1941 and 1945 was as bloody and brutal as any of the fighting in the Pacific War, it does not seem to have left a legacy of bitterness towards the Japanese among Indian army veterans as existed among other veterans of the war.

While some have since sought to portray Japanese use of captured Indian soldiers as armed auxiliaries during the Pacific War as an important symbolic bond between Japan and India,<sup>19</sup> it is clear that in the 1940s the great majority of the Indian nationalist leadership unequivocally rejected any Japanese role in gaining Indian independence from Britain. It is also clear that Japan saw little reason to include India in its East Asian empire.

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<sup>18</sup> Murthy, *India and Japan* at p.162.

<sup>19</sup> Including Japanese Prime Minister Shinzo Abe who visited Subhas Chandra Bose’ house in Kolkata in 2007 – see section 4.2.2.

#### **4.1.4 India's perspectives on Japan's post-war settlement in 1951**

The next episode of significance in India-Japan relations during this period was India's decision to oppose the US-sponsored post-war strategic order as formalised in the 1951 San Francisco Peace Treaty with Japan. The signatories to the peace treaty included 48 states, but not India, which would later sign its own treaty with Japan.

The San Francisco Treaty with Japan was negotiated between 1947 to 1951 against a background of escalating regional crisis between the West and communist states, including the surrender of mainland China to the communists in October 1949, the Korean War in June 1950 and Chinese intervention in the Korean War in October 1950. The peace treaty and the accompanying US-Japan security pact were intended to return partial sovereignty to Japan and cement the continuing security role of the United States in Japan as a bulwark against the Soviet Union and Communist China. The Indian leadership opposed the US strategy of containing Communist China, believing that Chinese territorial and ideological ambitions could be moderated through engagement and support for China.

India publicly objected to the Japanese Peace Treaty on several grounds. India objected to the ongoing security arrangements with the United States that were to be adopted in conjunction with treaty. Nehru also insisted that no settlement with Japan was likely to endure unless the PRC was a party to it, something which the United States could not accept given its non-recognition of Communist China. However, the primary grounds put forward by India for refusing to sign the treaty related to the transfer of Japanese territories to the Soviet Union and China. India claimed that while the treaty provided for a waiver of Japan's claims to the Kurile islands, the islands were not clearly ceded to the Soviet Union. India objected on similar grounds that Taiwan was not clearly ceded by Japan to the PRC – something which was seen as undermining the PRC's claims to be the only legitimate government in China. Nehru believed that it was in India's essential interests to show solidarity with the PRC in opposing the treaty.

In a private letter explaining his reasoning to his Ambassador in the United States, Nehru commented: “To accept the Japanese peace treaty as it now is..... might mean almost, though not quite, a political break with China.”<sup>20</sup> In 1952, India entered into a separate bilateral peace treaty with Japan, so avoiding either undermining the PRC’s legitimacy or endorsing any US role in Japan’s security.

Although some have sought to depict India’s stance against the treaty as a demonstration of India’s “solidarity” with Japan,<sup>21</sup> such claims are a poor *post facto* rationalisation of India’s actions. There is no record of Indian representatives ever consulting with Japanese leaders or any Japanese person at all about their views on the treaty and neither is there any evidence that the Indian leadership considered Japan’s security needs. India’s immediate objection to the treaty was that it did not irremediably strip Japan of its island territories by clearly transferring them to the Soviet Union and China. Far from showing solidarity with Japan, India’s position was primarily motivated by solidarity with China and opposition to a continuing regional security role for the United States. Nehru arguably took the view that the benefits to India of promoting a multipolar regional security order that included the PRC and the Soviet Union outweighed Japan’s immediate security needs, whatever they may have been.

#### **4.1.4 Japan’s perspectives on the 1962 Sino-Indian war**

The centrality of China in the Japan-India strategic relationship is further demonstrated by Japan’s response to the 1962 Sino-Indian war.

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<sup>20</sup> Quoted in B.N.Pandey, *Nehru* (New York: Stein & Day, 1976) at p.333.

<sup>21</sup> See, for example, speech by Prime Minister P.V. Narasimha Rao, “Towards an India-Japan Partnership in the Twenty-first Century” in Tokyo on 23 June 1992, reprinted in *Japan Review of International Affairs* (Summer 1992), p.195-202.

As has been seen, the 1962 Sino-Indian war played, and continues to play, a pivotal role in the India-China strategic relationship in which India conceives itself as having been betrayed and attacked without cause by its erstwhile partner. China's invasion of Indian claimed territory in the Himalayas in 1962 sparked outrage from the United States and most of its non-communist allies, who characterised it as another instance of unprovoked communist aggression. However, the response of Japan, the largest US ally in Asia, was publicly equivocal and privately hostile to India.

When the conflict commenced in October 1962, India sought regional support for itself and condemnation of China. Japanese Prime Minister Ikeda was initially critical of China's actions, commenting the dispute should be settled on the "basis of international justice through peaceful means at the earliest possible date."<sup>22</sup> However China's unilateral suspension of hostilities in November 1962 created a favourable impression in many quarters.<sup>23</sup> Ikeda subsequently refused to express any opinion as to whether the Chinese actions amounted to aggression.<sup>24</sup> Ikeda also took the opportunity to chide India, as well as domestic advocates of neutrality, of the unreality of neutrality between the West and Communism, stating: "The reality of the armed Sino-Indian clashes in the border dispute has demonstrated how unrealistic are advocacy of neutralism and mere calls for peace."<sup>25</sup> The Japanese leadership was much more critical of India in private. Kenjiro Shiga, the Director General of the Japanese Defence Agency told US Assistant Secretary of State Averill Harriman of the "arrogant attitude" of the Indians in refusing Beijing's offers to negotiate the dispute,

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<sup>22</sup> Reported in *The Japan Times*, 10 November 1962.

<sup>23</sup> *Mainichi Shimbun*, 24 November 1962 (evening edition), quoted in John Welfield, *An Empire in Eclipse – Japan in the Postwar American Alliance System: A Study of the Interaction of Domestic Politics and Foreign Policy* (London: The Athlone Press, 1988).

<sup>24</sup> Reported in *The Hindu*, 1 December 1961.

<sup>25</sup> Statement by Prime Minister Ikeda to the Japanese Diet on 10 December 1962 as reported in *The Hindustan Times*, 13 December 1962.

adding that most Japanese felt “considerable resentment” against India.<sup>26</sup> Japanese Foreign Minister, Masayoshi Ohira, later told an “astonished” US Secretary of State Dean Rusk that “India had got its just deserts” at the hands of the Chinese Army, and that the United States “should leave Communist China alone.”<sup>27</sup>

Tokyo had several reasons for not supporting India over the conflict. An immediate reason for Japan’s stance related to the ongoing domestic political crisis over Japan’s entry into a new US Security Treaty in which the government found it (paradoxically) convenient to demonstrate an independence of action from the United States by not supporting India.<sup>28</sup> More importantly, the Japanese also saw the conflict as an unwelcome hindrance to the normalisation of its economic and political relations with China. In October 1962, Sino-Japanese relations were at a somewhat delicate stage as the two countries were in the final stages of negotiation of a key “private” trade agreement which was signed on 9 November 1962. The agreement had important political implications, leading to the opening of semi-official “trade liaison” offices in Tokyo and Beijing<sup>29</sup> and a significant expansion in two-way trade. The Japanese generally understood, as Prime Minister Sato was to later put it, that “China wanted to isolate India and tempt Japan with trade.”<sup>30</sup> However, from subsequent accounts of participants, the Sino-Indian war was not a factor in the negotiations from the

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<sup>26</sup> Memorandum of Harriman-Shiga conversation, Nov.14, 1962, U.S. Department of State as quoted in Michael Schaller, *Altered States: The United States and Japan since the Occupation* (New York: Oxford University Press, 1997) at p.174.

<sup>27</sup> U.S. Department of State Memorandum of conversation by Swayne, Department of State, Secretary’s Memoranda of Conversation: Lot 65 D330 as quoted in U.S. Department of State Memorandum of Conversation, Washington December 3, 1962, 5.30pm, FRUS 1961-63, Vol.XXII Doc # 362.

<sup>28</sup> See Murthy, *India and Japan* at p.377.

<sup>29</sup> See, George P. Jan, “Japan’s Trade with Communist China” *Asian Survey*, Vol.9 No.12 (1969), pp.900-918.

<sup>30</sup> Durga Das, *India: From Curzon to Nehru and After* (London: Collins, 1969), p.415.

Japanese side.<sup>31</sup> The Japanese delegation apparently did not even care sufficiently about appearances to delay signing the agreement until after the conflict had ended.<sup>32</sup> Rather, the reaction of the Japanese leadership to the conflict indicated a deep empathy felt towards China and indifference towards India, which was crystallised by the conflict. The 1962 war accelerated Japanese disenchantment with India as a leader of an 'idealistic' nonaligned movement.<sup>33</sup>

For the Indians, Japan's publicly equivocal stance was highly disappointing and confirmed Indian suspicions about Japan's policies. Aware of Tokyo's equivocation on the conflict (but apparently not aware of the Japanese leadership's hostility towards India), it was assumed in New Delhi that Japan was merely being "amoral" or "apolitical" in refusing to support India. According to one commentator, India had expected Japan to pass judgement on which nation was right and which was wrong. However, Indian policymakers concluded that Japan's only concern was to pursue its economic interests.<sup>34</sup>

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<sup>31</sup> Chae-Jin Lee, *Japan Faces China: Political and Economic Relations in the Postwar Era* (Baltimore: The John Hopkins Press, 1976); George P. Jan, "Japan's Trade with Communist China"; Yoshihide Soeya, *Japan's economic diplomacy with China, 1945-1978* (Oxford: Clarendon Press, 1998); and Welfield, *An Empire in Eclipse*.

<sup>32</sup> However, China was under significant pressure to conclude the agreements as the war had resulted in a reduction in Western trade credits and Soviet economic assistance. See Chad J. Mitcham, *China's Economic Relations With The West And Japan, 1949-79: Grain, Trade and Diplomacy* (London: Routledge, 2005).

<sup>33</sup> Takako Hirose, "Japan in a Dilemma: The search for a Horizontal Japan-South Asia Relationship" in Jain, *Distant Asian Neighbours*, p.41.

<sup>34</sup> Jain, "India's Calculus of Japan's Foreign Policy in Asia" at p.221.



#### 4.1.5 Proposals for an India-Japan axis against China in the 1960s

The next period of significant interaction between India and Japan was during the second half of the 1960s, a period of major strategic uncertainty in Asia. This was a time of widespread anxiety about the growing belligerence of China and concerns about the withdrawal from the region, in whole or in part, of its primary external security managers, the United States and the United Kingdom. During this period, Britain, the United States and the Soviet Union each promoted regional strategic arrangements to be anchored by India and Japan. India also made its own proposals for regional economic and political arrangements anchored by India, Japan and Australia. However, as will be seen, India had no intention of joining any Western-sponsored regional arrangement and nor did Japan have any interest in joining any economic or political arrangement with India. Instead, Japan focused on the economic development of East Asia, and India would turn to the Soviet Union for its security needs.

Throughout the 1960s many influential Western analysts saw a strategic relationship or *entente cordiale* between India and Japan as a natural response to the threat posed by China.<sup>35</sup> In February 1966, Britain and Australia, contemplating Southeast Asia's security needs following the planned withdrawal of Britain west of Suez, publicly floated a proposal for the security of Southeast Asia involving the creation of a three-way alliance between Australia, Japan and India with the backing of the United Kingdom.<sup>36</sup> The proposal, which the Australian Foreign Minister, Paul Hasluck, would

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<sup>35</sup> See, for example, Russell H. Fifield, *Southeast Asia in United States Policy* (New York: Council on Foreign Relations, 1963); William J. Barnds, *India, Pakistan and the Great Powers* (New York: Council on Foreign Relations, 1972); and Alastair, "An Asian Balance of Power?" *The Australian Journal of Politics and History*, Vol. XII, No. 2 (August 1966), pp. 271-281 at p. 278.

<sup>36</sup> *Canberra Times*, 4 February 1966.

later call the “great tripod”<sup>37</sup> received no response from either India or Japan. As the distinguished Australian historian, T.B.Millar, would comment: “From her sense of weakness and danger, India finds attraction in the idea of cooperation with Japan, but the Japanese see no profit in any such arrangement... Despite being a common threat, China divides them more than it unites them.”<sup>38</sup>

From as early as 1967 US defence planners were also contemplating East Asian security requirements following a contemplated reduction in the direct US military commitment in Asia. This led to a variety of proposals in which regional powers could take a greater share of responsibility for regional security and the containment of China. Through 1968, the Johnson administration became increasingly desperate to find a regional collective security arrangement that would preserve the status quo of non-communist states in Asia and ease a US withdrawal from Vietnam. In September 1968, US Defence Secretary, Clark Clifford, proposed that Australia, Japan and India should work together with other Southeast Asian nations to develop a regional security arrangement, commenting that: “The basis of our future policy should be the development of regional agreements by the countries in the region in which we [the United States] will be but a limited partner.”<sup>39</sup> The US proposals were opposed by both Japan and Australia<sup>40</sup> and brought a sharp response from India, with the junior Indian Foreign Minister, B.R.Bhagat, commenting that a defensive alliance between India, Australia and Japan was “out of the question.”<sup>41</sup> As Hedley Bull would later comment, the British and US-inspired proposals merely reflected:

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<sup>37</sup> *The Age*, 30 March 1967.

<sup>38</sup> T.B.Millar, “India, Japan and Australia, and the Security of Asia” *Australian Quarterly*, (1967) Vol. 39 No.3, pp7-19 at p.17.

<sup>39</sup> Vincent Smith, “Australia urged to seek own defence” *The Australian*, 1 October 1968

<sup>40</sup> Robert Duffield, “Let’s Leave Arms out of ASPAC” *The Australian*, 21 September 1968.

<sup>41</sup> Justus M. van der Kroef, “The Gorton Manner: Australia, Southeast Asia and the U.S.” *Pacific Affairs* Vol.42 No.3 (1969) pp.311-333 at p.328.

*“the desire of the external powers to rationalise their own withdrawal by demonstrating that their presence in the area is no longer necessary, since local elements are at hand to accomplish the common task. They are not founded upon the realities of the area. India, Australia and Japan do not share a common perception of external threats to their security...”<sup>42</sup>*

In 1969, the Soviet Union, which had also become increasingly alarmed at the security threat posed by China, proposed its own regional collective security system to be anchored by India and Japan. The Soviet proposal, while vague, involved a cooperative system involving all of South, Southeast and East Asia to be guaranteed by the Soviet Union and the United States. The Soviets saw participation of both India and Japan as being essential to a regional grouping. India, perhaps not wishing to publicly rebuff the Soviets, was polite but lukewarm about the proposal, while US regional allies stayed largely silent.<sup>43</sup>

During this period, India also saw its economic and security position as deteriorating, and was developing its own proposals for regional political and economic arrangements. In particular, the Indian government saw improved economic and political relations with Japan as a way of assisting in India's economic development while forming a political counterbalance to China. At this time there was little political communication of substance between the Indians and Japanese and the Indian Embassy in Tokyo reportedly did not have a single diplomat who spoke or read Japanese well.<sup>44</sup> Although India initiated discussions with Japan at foreign secretary level, India was never able to propose concrete steps for bilateral political cooperation

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<sup>42</sup> Hedley Bull, “The New Balance of Power in Asia and the Pacific” *Foreign Affairs*, Vol.49 (1971), pp. 669-681 at p.680.

<sup>43</sup> See generally, Marian P.Kirsch, “Soviet Security Objectives in Asia” *International Organization*, Vol.24, No.3 (Summer 1970), pp. 451-478.

<sup>44</sup> “India Continues to Neglect Japan” *The Economic Weekly*, 17 October 1964, p.1679.

on issues that really mattered to both countries (e.g. mutual positions on Kashmir, the Kuriles or China). By early 1968, an Indian official would admit “we have reached nowhere” in improving political relations with Japan.<sup>45</sup>

India nevertheless pressed on with its own proposals. In May 1968, while visiting Australia, Indira Gandhi proposed a new regional arrangement to be anchored by India, Japan and Australia which would involve regional economic cooperation and an international guarantee by the big powers that neutrality and independence of aspiring nations would be preserved.<sup>46</sup> Gandhi remained vague about the concept of a guarantee by big powers and would later “clarify” it to exclude region-wide security guarantees and replace Australia as the third anchor with a “neutralist” Indonesia. However, the thrust of the proposal involved the reduction of regional tensions so as to allow regional states to pool their resources for economic development. Between mid-1968 and mid-1969 India pursued the project of creating a regional economic and political arrangement anchored by India, Japan and Indonesia including arrangements to safeguard the independence and political integrity of Southeast Asia. According to the then Indian Foreign Minister, Dinesh Singh, any regional agreement would be a political rather than a military one and there would be no provision for collective military security.<sup>47</sup>

Despite a multitude of proposals during the second half of the 1960s for regional security arrangements “anchored” by Japan and India, there is no evidence that the Japanese government ever gave serious consideration to any security relationship with India. While Japan gave a great deal of consideration to the Chinese “threat” and its impact on regional security, concerns about the potential for confrontation with China

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<sup>45</sup> P.A Narasimha Murthy, “Notes and Memoranda: Seminar on India and East Asia” *International Studies*, Vol.9 No.4 (1968), p.468.

<sup>46</sup> *Indian Express*, 28 May 1968.

<sup>47</sup> “Neutrals plan guarantee for Asian freedom” *The Australian* 5 March 1969.

far outweighed any potential benefits to Japan that a relationship with India might offer.<sup>48</sup> At the same time, Tokyo realised that Japan could itself add little to regional security except to promote regional economic development.<sup>49</sup> In late 1966, Japanese Foreign Minister Takeo Miki began to promote a new “Asia Pacific” policy in which Japan would act as a bridge from the United States, Australia and others in fostering regional economic cooperation, a policy that might now be described as “open regionalism.” While Tokyo made clear that any Asia-Pacific regional organisation should have an open membership, including even China, they did not consider that their new concept of the “Asia-Pacific region” included India.<sup>50</sup> The Japanese focused on the creation of East Asian based arrangements to promote economic cooperation and free trade, including the Ministerial Conference for Economic Development of Southeast Asia (MEDSEA) and the Pacific Trade and Development forum (forerunners of the modern-day APEC). (Japan would come up against its own resistance to these initiatives in Southeast Asia, where they were seen by many as an unwanted attempt by Japan to assume regional leadership.)<sup>51</sup>

In June 1969, Gandhi visited Tokyo to discuss the various proposals for enhanced regional relationships, a visit that was described as the most delicate and difficult foreign mission of her career.<sup>52</sup> Several months earlier, Gandhi had forced the recall of Japan’s ambassador to New Delhi over differences in economic cooperation, apparently on the grounds that the Japanese envoy had been insufficiently receptive

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<sup>48</sup> John Welfield, *An Empire in Eclipse*, at p.196.

<sup>49</sup> *Kyokuto no Anzen Hoshō*, p.14, cited in Lawrence Olson, *Japan in Postwar Asia* (London: Council on Foreign Relations, 1970) at p.135.

<sup>50</sup> Takashi Terada, “The Origins of Japan’s APEC policy: Foreign Minister Takeo Miki’s Asia-Pacific Policy and current implications”, *The Pacific Review*, Vol.11 No.3 (1988) pp337-363.

<sup>51</sup> Singapore Foreign Minister Rajaratnam, reportedly unsuccessfully sought Indian involvement in MEDSEA to balance Japan’s role. Datta-Ray, *Looking East to Look West*.

<sup>52</sup> Malnotra ‘Japanese not interested in Indian pact’ *The Australian*, 26 June 1969.

to Gandhi's demands for Japanese aid or investment.<sup>53</sup> During Gandhi's visit, Japanese Prime Minister Sato made clear that Japan did not welcome Indian proposals for an India-Japan economic axis that would include Southeast Asia.<sup>54</sup> The Japanese regarded its area of interest as ending at Burma and did not wish to be involved in India's quarrels in South Asia. The Indians were also reportedly "horrified" to find that the Japanese were more concerned about the Soviet threat than any threat from China and that India's increasingly close relationship with the Soviets merely heightened their concerns. The Japanese regarded the Indians as potential regional rivals rather than partners.<sup>55</sup> As an olive branch, Sato offered Gandhi the opportunity to participate in both MEDSEA and the Asian and Pacific Council (a regional talk shop of anti-communist states) as part of a policy of encouraging all "neutralist" states to join regional fora.<sup>56</sup> Gandhi refused, publicly accusing the Japanese of trying to create a regional military bloc.

It was clear that there was no deal to be had. Although they shared concerns about China, the Indian and Japanese perspectives on regional economic and security needs were entirely at odds. Despite its earlier proposals, India was terminally suspicious of any arrangement with US regional allies that had any political element. Japan was not willing to underwrite India's economic development and had its own strategy for the economic development of Southeast Asia. Gandhi returned to Tokyo and within several months began secretly negotiating the terms of a strategic partnership with the Soviet Union intended to balance China. By December 1969, the Indian Foreign Minister would be expressing concern about the possibility of the development of a new axis between Japan, the United States and China and the expansion of Japan's

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<sup>53</sup> *Far Eastern Economic Review*, 3 July 1969, p.11.

<sup>54</sup> Marian P.Kirsch, "Soviet Security Objectives in Asia," at p471. See also *Far Eastern Economic Review*, 24 July 1969, p.249.

<sup>55</sup> Malnotra 'Japanese not interested in Indian pact' *The Australian*, 26 June 1969.

<sup>56</sup> *Ibid.*

military capacity.<sup>57</sup> As has been discussed above, Japan and India would remain estranged for the remainder of the Cold War.

#### **4.1.6 Japan and India's 1998 nuclear tests**

Although the end of the Cold War removed some of the structural and ideological obstacles in the India-Japan relationship, the strategic indifference largely continued.

India had been a *de facto* (although undeclared) nuclear weapons state since 1974 and during the 1990s Japan had put much effort into persuading India to forgo its nuclear capabilities. In particular, from 1991 Japan sought political leverage from its aid contribution to India, for the first time seeking to link the provision of Japanese aid to nuclear non-proliferation, and for Japan this became a central issue in the relationship. For its part, New Delhi was largely unpersuaded by the Japanese efforts to gain political leverage from aid, with Indian diplomats seeing Japan's anti-nuclear position as "ritualistic", part of a supporting act for the United States.<sup>58</sup> India's Pokhran II nuclear tests in May 1998 took the international community by surprise, leading to widespread international condemnation. The Japanese response to the tests was unusually sharp and led to its most active foreign policy intervention in South Asian affairs since the Pacific War. Japan "strongly demanded" that India suspend its further nuclear development program, freezing aid, recalling its ambassador, and using its position on the World Bank and the Asian Development Bank to block multilateral loans to India. Japan also took a leading role in organising the international community against the development, in the G-8 and the UN Security Council. Most controversially, Japan offered to host an international conference on Kashmir and to mediate between India and Pakistan on the issue. However, Japan's diplomatic

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<sup>57</sup> "Japan: New Axis" *Link* Vol.12 (20) 28 December 1969 p.27

<sup>58</sup> Purnendra Jain, "Japan's Relations with South Asia" *Asian Survey*, Vol. 37, No. 4 (Apr., 1997), pp. 340-352 at p.348.

intervention against India would ultimately fall flat, achieving nothing but hostility from India.

Japan's punitive measures did significant damage to its relations with India, which reached their lowest level since the 1940s. While India resented reaction from the international community to the nuclear tests, it particularly resented the reaction from Japan and other allies of the United States who were seen as sheltering under the US nuclear umbrella. However the strongest hostility was reserved for Japan's attempts to involve itself in the Kashmir dispute, with one Indian diplomat reportedly commenting:

*"We understand Japanese special sentiments against nuclear weapons. But if Japan tries to bring the Kashmir issue into an international stage like the UN, India would regard Japan as an enemy and Japan would stay such for many years to come."*<sup>59</sup>

Although some have argued that Japan's strong reaction to the tests was motivated by the prospect that India, through its acquisition of nuclear weapons, would leapfrog Japan to major power status,<sup>60</sup> a quite different explanation seems more likely. Japan cared little about India's strategic requirements or its claims to major power status. Rather Japan was immediately motivated by concerns about it encouraging North Korea to become a declared nuclear weapons state (which, in fact, occurred in 2006).<sup>61</sup> The issue also allowed the Japanese to exhibit its commitment to anti-proliferation and

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<sup>59</sup> Takako Hirose, "Japan's Role in South Asia in the Post-Cold War Period" in K.V.Kesavan and Lalima Varma (eds), *Japan-South Asia: Security and Economic Perspectives* (New Delhi: Lancer's Books, 2000), at p. 105.

<sup>60</sup> See, for example, Baldev Raj Nayar, *India and the Major Powers after Pokhran II* (New Delhi: Har-Anand Publications, 2001).

<sup>61</sup> National Institute of Defense Studies, *East Asian Strategic Review, 1998-99*.



provided an opportunity for it to demonstrate international political leadership. Japan felt it was in a position to take such an activist line against India precisely because it had so little of concrete interest in South Asia – the Japanese had little to lose in terms of bilateral relations while potentially much to gain in international prestige if it achieved a leadership role on non-proliferation and the India-Pakistan conflict.<sup>62</sup>

However, the bilateral relationship would recover remarkably quickly – India's *fait accompli* had changed the strategic equation in Asia and Japan could do nothing but accept it. According to a senior Indian diplomat in Tokyo, "For all its downside, it provided a much needed reality check which, by briefly stripping our ties of false sentiment, allowed for a serious engagement, perhaps for the first time."<sup>63</sup>

## Conclusion

This chapter has reviewed the strategic indifference between India and Japan, two major states of Asia, for much of the twentieth century, focusing on some major episodes of strategic interaction. There are several reasons for this historical indifference. India and Japan's strategic interactions – or lack of them – appear to be highly consistent with Buzan's suggestions as to the existence of historically separate regional security complexes in Northeast Asia and South Asia (and Southeast Asia), that is, strategic behaviour of states in each region has largely been without regard to states outside the region. Although China provides a geographic and strategic link between South and Northeast Asia, the link was insufficient to cause India and Japan to perceive common strategic interests. Instead, during the Cold War each of Japan

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<sup>62</sup> Satu P. Limaye, "Tokyo's Dynamic Diplomacy: Japan and the Subcontinent's Nuclear Tests", *Contemporary Southeast Asia*, Vol.22, No.2, August 2000, pp.322-339 at p.329.

<sup>63</sup> S. Jaishankar, "India-Japan Relations after Pokharan II," *Seminar* (New Delhi), No.487 (March 2000), p.42.

and India dealt with China, variously as a partner and a rival, with little reference to the other.

Differing strategic alignments was also a major contributor towards Japanese and Indian strategic estrangement for most of the Cold War. However, underlying these differing Cold War alignments was deeper clash of strategic goals, and one that to some extent still continues. India's "Holy Grail" of strategic autonomy contrasted sharply with Japan's preparedness to cede its strategic autonomy in pursuit of economic development. As will be seen in chapter 4.2, this basic difference in approach continues to be a significant factor in the India-Japan relationship.

## **Chapter 4.2 Strategic engagement between India and Japan after 1998**

- 4.2.1 The developing strategic partnership between Japan and India
- 4.2.2 The underlying economic relationship
- 4.2.3 Japanese perspectives on a security relationship with India
- 4.2.4 Indian perspectives on a security relationship with Japan

### **Introduction**

This chapter will consider developments in the India-Japan strategic relationship over the last decade and consider whether a security partnership between the two is likely to be both enduring and substantive. It will argue that, following the change in relative strategic positions of Japan and India in recent years, the relationship is now consistent with multiple streams of strategic thinking in both Japan and India. Although there are limitations and constraints on the relationship, including an anaemic economic relationship, the potential exists for a “grand strategic bargain” between India and Japan as two major powers of Asia.

#### **4.2.1 The developing strategic partnership between Japan and India**

India’s declaration as an overt nuclear power in 1998 marked a major turning point in its relationship with Japan, fundamentally altering the balance of the relationship that had existed since the 1950s. The nuclear tests represented a decisive and risky step by India to alter the strategic balance in Asia in its favour. As has been discussed in the previous chapter, Japan’s response to the tests represented a significant defeat for Japanese diplomacy and a failure to understand the limitations in its own strategic position. After 1998, Japan, like the rest of the world, was forced to treat India as a major strategic player in Asia and give more rigorous consideration of India’s place in the broader strategic environment. As will be seen, it has led to a major realignment of Japanese strategic thinking about India.

The initial steps to mend the relationship after India's 1998 nuclear tests were made by Indian Foreign Minister Jaswant Singh during a visit to Tokyo in December 1999. The Japanese responded quickly to India's overtures, agreeing to regular consultations. The Japanese realised that their assertive stance against India over its 1998 nuclear tests had failed utterly, risking leaving Japan isolated.<sup>1</sup> As early as January 2000, Indian Defence Minister George Fernandes commented that: "after more than 50 years of aloofness on these issues, India and Japan have decided on a security and defence related dialogue on a regular basis."<sup>2</sup>

In August 2000, Japanese Prime Minister Yoshiro Mori visited New Delhi to declare that Japan and India had become "global partners," and Japan used the aftermath of 9/11 to lift its post-Pokhran II sanctions against both Pakistan and India. The political relationship between India and Japan has improved steadily from that time, although generally in parallel with developments in India's relationship with the United States. This included a so-called "strategic partnership" announced in 2005 and in 2006 agreements were concluded providing for the expansion and formalisation of defence ties, particularly in the area of maritime cooperation.

### ***The 2007 Quadrilateral initiative***

This process moved into top gear in 2007 under the leadership of Japanese Prime Minister Shinzo Abe and his Foreign Minister, Taro Aso. Abe, in particular, had a strong belief in the key role of India in Japan's future, claiming that the India-Japan relationship "will be the most important bilateral relationship [for Japan] in the world."<sup>3</sup> Aso also sought to provide an ideological basis for the relationship through

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<sup>1</sup> See Limaye, "Tokyo's Dynamic Diplomacy."

<sup>2</sup> "India, Japan will have close defence ties, says Fernandes" *Times of India*, 16 January 2000.

<sup>3</sup> K. Venugopal, "Japan's guarded, positive response on nuclear issue," *The Hindu*, 16 December, 2006. Abe, in his 2006 political manifesto *Utsukushii kuni e: jishin to hokori no*

his “Arc of Freedom and Prosperity” initiative which proposed that Japan should pursue “value-oriented diplomacy,” justifying closer cooperation by Japan with others holding “shared values” such as India, Australia and NATO states.

In early 2007 Prime Minister Abe proposed the so-called “Quadrilateral” initiative, under which India would join a formal security dialogue with Japan, the United States and Australia. Abe’s proposal was vague and would remain so, although some saw it as essentially suggesting the extension of the US-Japan-Australia trilateral security dialogue to include India. In April 2007, the first ever trilateral naval exercises were held between the United States, Japan and India in the Western Pacific and in August 2007, the annual India-US Malabar naval exercise was transformed into large-scale multilateral exercises in the Bay of Bengal involving three carrier battle groups and other ships from the United States, India, Japan, Australia and Singapore.

Developments in the relationship reached a crescendo with the visit of Abe to India in August 2007, when in an address to the Indian parliament he spoke of a “broader Asia” partnership of democracies. Abe suggested that the India-Japan partnership would “evolve into an immense network spanning the entirety of the Pacific Ocean, incorporating the US and Australia.”<sup>4</sup> These developments, taken together, were seen by some as the beginnings of a formal four-way coalition between the United States, India, Japan and Australia, aimed at balancing or containing a rising China.<sup>5</sup>

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*moteru Nihon e* [Towards a beautiful country: A confident and proud Japan] (Tokyo: Bungei Shunju, 2006) includes a lengthy discussion of how Japan should strengthen ties with India, stating: “It will not be a surprise if in another decade, Japan-India relations overtake Japan-US and Japan-China ties.”

<sup>4</sup> Sudha Ramachandran, “What are friends for...?” *AsiaTimes Online*, 25 August 2007. <[www.atimes.com](http://www.atimes.com)>.

<sup>5</sup> For more detailed accounts of these developments in 2007, see Purnendra Jain, “Westward Ho! Japan Eyes India Strategically,” *Japanese Studies*, Vol.28, Issue 1 (May 2008), pp.15-30 and

However, by late 2007, these developments had lost much of their momentum. Reactions from Chinese official and semi-official sources to the Quadrilateral initiative and naval exercises in 2007 were highly negative, including criticism that the initiatives resurrected “a cold-war mentality” and marked “the formation of a small NATO to resist China.”<sup>6</sup> In May 2007 China issued diplomatic demarchés to India, Japan, the United States and Australia requesting explanations about the Quadrilateral proposal and in the following month Chinese President Hu Jintao pressed home the point by seeking “clarification” of India’s position in a face to face meeting with Indian Prime Minister Singh.<sup>7</sup>

During the course of 2007, Australia, India, the United States and even Japan had become increasingly hesitant about the Quadrilateral initiative. Canberra had serious misgivings over the proposal, which was seen by many as undefined and unduly provocative. Australia declined to participate in meetings on the initiative after May 2007, although its withdrawal was only announced in early 2008. Washington was divided over the proposal and did not make any public statements in support of it. The Indian government also faced significant domestic political pressure against any perceived alliance involving the United States. In Japan there was criticism of the proposal from within the governing coalition, the bureaucracy and the opposition, with many considering a formal multilateral political coalition as “too provocative” towards China. The resignation of Abe as Japanese Prime Minister in September 2007 removed a strong proponent of a security relationship with India and by the end of

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Madhuchanda Gosh, “India and Japan’s Growing Synergy: From a Political to a Strategic Focus” *Asian Survey* Vol.48, No.2 (March/April 2008), pp. 282-302.

<sup>6</sup> Sun Cheng, “A Comparative Analysis of Abe’s and Fukuda’s Asia Diplomacy,” *China International Studies*, No.10 (Spring 2008), pp.58-72.

<sup>7</sup> D.S.Rajan, “China: Media Fears over India Becoming Part of Western Alliance,” *Chennai Centre for China Studies Paper No.46*, 29 August 2007.

2007 proposals for a formal multilateral security relationship involving Japan, India, and the United States had, it seemed, been quietly shelved. However, the emphasis shifted towards the development of the bilateral relationship between India and Japan.

### ***The 2008 Security Declaration***

In October 2008, the Indian and Japanese Prime Ministers concluded the India-Japan Joint Security Declaration, asserting that the strategic partnership between the two countries would become “an essential pillar for the future architecture of the region.”<sup>8</sup> The Security Declaration represented the third security declaration made by Japan (after joint declarations with the United States in 1996 and Australia in 2007) and the first such declaration by India (and was followed by a further joint security declaration with Australia in 2009).<sup>9</sup> Both Japanese and Indian leaders made repeated denials that the Declaration was “aimed at” China<sup>10</sup> and Taro Aso (then Prime Minister) downplayed suggestions that Tokyo was still pursuing the idea of a security relationship involving India, Japan and the United States. China’s reactions to the Security Declaration have been restrained.<sup>11</sup>

While the Security Declaration is in many ways more symbolism than substance, it is nevertheless an important step in creating a framework for the further development

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<sup>8</sup> “Joint Statement on the Advancement of the Strategic and Global Partnership between Japan and India,” 22 October 2008.

<sup>9</sup> See generally, David Brewster, “The Australia – India Security Declaration: the Quadrilateral redux?” *Security Challenges*, Vol.6, No.1 (Autumn 2010), pp.1-9.

<sup>10</sup> Siddhart Varadarajan, “India, Japan say new security ties not directed against China,” *The Hindu*, 23 October 2008.

<sup>11</sup> D.S.Rajan, “Beijing: Suspensions on Japan-India Security Declaration targeting China,” *Chennai Centre for China Studies Paper No.221*, 2 November 2008.

of the security relationship.<sup>12</sup> The declaration identifies shared security interests, so-called “elements of cooperation” in nine specified areas and outlines consultative mechanisms to be implemented between them, the so-called “mechanisms of cooperation.” Although the form of a “joint declaration” was new for India, much of its content merely repeats previous joint statements of Indian and Japanese leaders.<sup>13</sup> Key areas of cooperation identified in the Security Declaration and accompanying Joint Statement include cooperation in the creation of a new Asian security order, bilateral cooperation within multilateral regional frameworks, a continuing defence dialogue, cooperation between coastguards, transport safety, the fight against terrorism and transnational crimes, sharing of experiences in peacekeeping and peace-building, disaster management and disarmament and non-proliferation.

A notable aspect of the Security Declaration is its emphasis on political cooperation between Japan and India in existing regional multilateral frameworks and in the creation of a new Asian security order. This indicates an intention to focus on cooperation at the political level in seeking to create a new security order in East Asia, although there is no guidance as to what that new security order might look like. The emphasis on political cooperation is an inevitable consequence of Japan’s inability under the current interpretation of its Constitution to engage in anything that smacks of collective defence or to make a military contribution to regional security beyond Japan’s immediate environs. An interesting absence from the India-Japan Security Declaration is any reference to Northeast Asian security issues (including Japan’s concerns about abduction of its citizens by DPRK and DPRK’s nuclear capacity). This

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<sup>12</sup> For a detailed examination of the terms of the security declaration, see David Brewster, “The India – Japan Security Declaration: an enduring security partnership?” *Asian Security*, Vol.6, No.2 (2010), pp.95-120.

<sup>13</sup> A point acknowledged by Indian Foreign Minister Shiv Shankar Menon. Siddharth Varadarajan, “India, Japan say new security ties not directed against China,” *The Hindu* 23 October 2008.



reflects India's current desire to avoid taking a role in security issues on the Korean peninsula.

The so-called "mechanisms of cooperation" in the Declaration, an unusually detailed list of consultation and cooperation mandated at numerous levels, provide an interesting indication of the expected depth and breadth of engagement between the two. This includes consultation among Foreign and Defence Ministers (although not in the so-called 2+2 format as currently occurs between Japan and the United States and Australia) and the respective permanent secretaries and national security advisors. The Declaration also prescribes a range of military to military cooperation and exchanges, navy to navy staff talks, coast guard cooperation, a Joint Working Group on counterterrorism and cooperation on money laundering. In December 2009, Japan and India agreed on the terms of an Action Plan to implement the Security Declaration. This added further agreements on consultation and cooperation including an annual subcabinet/senior officials 2+2 meetings (foreign affairs and defence), the institutionalisation of the annual maritime security dialogue (first held in October 2009), the institutionalisation of annual bilateral naval exercises, discussions of direct cooperation in anti-piracy operations, institutionalisation of cooperation on UN reform (particularly on UNSC permanent membership for both India and Japan) and the development of detailed plans for cooperation in disaster management both in India and regionally. The level of detail devoted to these consultative mechanisms portrays an apparent determination of both to undertake a prolonged and multi-faceted engagement and to build a broad-based relationship across multiple agencies.

Although there is a determination to build a broad-based consultative security relationship, any security relationship will be subject to significant constraints. The most obvious issue inhibiting a *symmetrical* security relationship is the restrictive Article IX of Japan's Constitution which, as it is currently interpreted, prohibits Japan from entering into collective defence arrangements. However, as will be discussed later, India appears to have few expectations in this regard and arguably, like the

United States, may benefit from the lack of symmetry in the relationship (which would be somewhat ironic given the decades of criticism by New Delhi of Japan's asymmetrical security relationship with the United States). There are however other issues which India expects that Japan will address and resolve in order to further develop the relationship, particularly including the willingness of Japan to meet India's needs in civilian nuclear cooperation and defence technology cooperation. While India has shown a degree of patience on these issues, their resolution will inevitably be seen in India as a test of Japan's seriousness to further developing the relationship.

### ***The supply of civilian nuclear technology to India***

Japan's refusal to supply nuclear generation technology to India is a significant issue in the security relationship and seems likely to remain so for some time to come. For India, Japanese cooperation is an important factor in the development of its nuclear industry. While Japan has shown some flexibility in recognising India's anomalous nuclear status, India's refusal to formally accede to non-proliferation norms represents a major political obstacle to allowing the supply of Japanese nuclear technology.

India requires a huge investment in electricity generation over the next several decades in order to support economic development, including plans to install around 12-16 GW of additional nuclear generating capacity by 2020.<sup>14</sup> An agreement with Japan allowing the provision of nuclear technology to India will be an important factor in these plans. Japan ranks third in installed nuclear capacity worldwide and Japanese companies (primarily Toshiba, Hitachi and Mitsubishi) rank among the largest suppliers of nuclear technology in the world, with Toshiba alone representing some 30% of total worldwide nuclear reactor building capacity. Japanese companies are at the forefront of, or have proven competencies in, the utilisation of advanced mixed oxide fuels and

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<sup>14</sup> See generally, J.Nandakumar and A.Vinod Kumar, "India-Japan relations: Are there prospects for civil nuclear cooperation?" *Strategic Analysis* Vol.31, No.6 (November 2007), pp.973 – 984.

the construction of light water reactors, advanced boiled water reactors and fast breeder reactors, each of which India hopes to deploy.<sup>15</sup> Japan is not absolutely essential to India's plans for its civilian nuclear industry as India can still access such technology from Russia, the United States, France and South Korea. However, the absence of key Japanese technology would significantly restrict India's options and, according to Indian experts, would prevent India from achieving planned technology standards in developing India's nuclear industry.

Japan, as a leading campaigner against nuclear proliferation, remains extremely sensitive about India's nuclear status. As discussed in chapter 4.1, the role of Japan in leading international condemnation of India over its Pokhran II nuclear weapons tests in 1998 caused significant (although as it turns out, short-lived) damage to the bilateral relationship. Japan has moderated its rhetoric since that time, tacitly accepting India's status as a *de facto* nuclear weapons state outside of the non-proliferation system, and in September 2008 gave its grudging approval to India's 123 nuclear deal with the United States in the multilateral Nuclear Suppliers Group. The Japanese waiver was given on the condition that India observes all its commitments, including its pledge not to conduct further nuclear tests. According to Japan, if India resumes tests, "the logical consequence is to terminate trade" under the NSG waiver.<sup>16</sup>

The Japanese nuclear industry (with the support of the Ministry of Economy, Trade and Industry) is placing significant pressure on the government to allow Japanese companies to participate in India's nuclear program. Toshiba has the ability to trade indirectly with India through the supply of US technology by its US subsidiary, Westinghouse. However, Hitachi, which supplies complementary technology together with its US joint venture partner, GE, is effectively locked out of the market and is said

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<sup>15</sup> Ibid.

<sup>16</sup> "Worrisome NSG agreement," *Japan Times*, 14 September 2008.

to be “desperate” to be allowed to access the Indian market.<sup>17</sup> However, the issue remains one of extreme domestic political sensitivity for Japan, with one official commenting that the Japanese government decision to allow the NSG waiver “met much more opposition from the public than we anticipated.”<sup>18</sup> While the Indians have stated that they propose to “move at a pace which the Japanese government and people are comfortable with,” they nevertheless continue to press Japan on the issue.<sup>19</sup>

However, with the election of a DPJ led government, it seems less likely that there will be a major change in Japan’s position on export of nuclear technology to India in the near future. Although DPJ party policy opposes the US-India nuclear agreement and the NSG waiver, this does not appear to have translated into any change in government policy.<sup>20</sup> The DPJ government’s position, reiterated in December 2009, is that progress on civil nuclear cooperation will only occur when India becomes a party to the Comprehensive Test Ban Treaty (CTBT) and commences negotiations on the Fissile Material Cut-off Treaty (FCMT). In February 2010, India announced that it would commence negotiations on the FMCT. However, India refuses to sign what it calls the “discriminatory” CTBT while at the same time reiterating its voluntary moratorium on nuclear testing.<sup>21</sup> It is not clear how this impasse can be resolved. It has been suggested that a coordinated international campaign by Japan and India to strengthen the international non-proliferation regime or to make progress in nuclear disarmament could possibly provide the Japanese government with sufficient domestic

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<sup>17</sup> Author interview with senior Japanese government advisor, June 2009.

<sup>18</sup> “Japan to Postpone Nuclear-Pact Talks with India,” *Nikkei Report*, 20 October 2008.

<sup>19</sup> Indrani Bagchi, “Japan refuses to commit on N-pact,” *Times of India*, 23 October 2008.

<sup>20</sup> Yoshiro Hachiro and Keiichiro Asao, “Statement Following the Approval of a Nuclear Agreement Proposed by the US Which Exempts India from Certain Export Restrictions” DPJ Webpage, 11 September 2008. <<http://www.dpj.or.jp/english/news/080918/04.html>>.

<sup>21</sup> “India reiterates voluntary moratorium on n-testing,” *Thaindian News*, 6 February 2010. <[www.thaindian.com](http://www.thaindian.com)>.

political coverage to come to a nuclear supply agreement with India.<sup>22</sup> However, the Indians have not so far shown a willingness to help the Japanese out of their political predicament. New Delhi may believe that they are now in a strong bargaining position with Japan and that the Japanese nuclear suppliers will inevitably force a change in government policy.

### ***Cooperation in defence technology***

Another issue on which little progress has been made is the supply of defence technology by Japan to India. India has taken the view that access to first rate defence technology will be a key feature of its rise as a military power. India already has access to sophisticated defence technology through its supply relationships with Russia and Israel and has made access to US defence technology a central part of the India-US relationship. India is now placing significant pressure on the Japanese government to relax its restrictions on high technology trade.

The ability of Japan to supply defence technology to India formed a key issue in the visit of Indian Defense Minister Mukherjee to Tokyo in May 2006<sup>23</sup> and in March 2007 Japanese Prime Minister Koizumi agreed to the creation of a so-called bilateral Japan-India “Consultation Mechanism for High Technology Trade” to give consideration to relaxing Japan’s restrictive rules regarding arms exports to India on a case by case basis. The issue was again emphasised in the December 2009 summit between Indian and Japanese leaders when Prime Minister Hatoyama stated that he had obtained Indian assurances that there would be no diversion of Japanese defence technology to

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<sup>22</sup> Author interview with senior Japanese government advisor, June 2009.

<sup>23</sup> C.Raja Mohan, “Pranab’s nudge could bring Japan defence tech to India,” *Indianexpress*, May 25, 2006. <[www.indianexpress.com](http://www.indianexpress.com)>.

third countries. A Japanese spokesman later commented that “There will be ample space for cooperation in this area.”<sup>24</sup>

Like the nuclear issue, any easing of the longstanding restrictions on arms exports and sharing of defence-related technology by Japan represents a major domestic political taboo.<sup>25</sup> Although this prohibition was loosened slightly following the North Korean nuclear crisis in 2003 to allow the joint development of ballistic missile technology with the United States, any further loosening of the restrictions faces opposition across the Japanese political spectrum. Nevertheless, there have been a number of influential calls to loosen Japan’s defence export controls.<sup>26</sup> It has been suggested that Japan could have a particular role in the establishment by India of a Ballistic Missile Defence system. Because of the co-development by Japan and the United States of BMD technology, trilateral cooperation in technology may be highly desirable or even necessary for the roll-out of that technology by India.<sup>27</sup> While there seems to be some room for Japan to move on this issue, it is possible that Japan may also seek to link progress on this area to progress on India’s commitments on nuclear non-proliferation.

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<sup>24</sup> “Nuclear deal unlikely as Japan sounds CTBT alert,” *Thaindian News*, 28 December 2009, <thaindian.com>.

<sup>25</sup> It has been argued that the prohibition on arms exports forms a key part of the Japanese “security identity.” Andrew Oros, *Normalizing Japan: Politics, Identity and the Evolution of Security Practice* (Stanford: Stanford University Press, 2008).

<sup>26</sup> Including by the LDP’s National Defence subcommittee in 2009. See also Yukari Kubota, “Japan’s New Strategy as an Arms Exporter: Loosening the Three Principles on Arms Exports,” *RIPS Policy Perspectives No.7*, November 2008.

<sup>27</sup> G.V.C.Naidu, “Ballistic Missile Defence: Perspectives on India-Japan Co-operation,” *Strategic Analysis*, Vol.31, No.1, (Jan-Feb 2007), pp.155-177.

#### 4.2.2 The underlying economic relationship

The most glaring structural weakness in the India-Japan strategic relationship is in the economic dimension. Tokyo's courting of a security relationship with India despite the lack of significant economic links has been called "a remarkable case of the Japanese flag preceding trade and investment."<sup>28</sup> Despite persistent attempts by the Japanese government to encourage Japanese private investment in India since the early 1990s, Japanese business is, and seems likely to continue to be, wary of doing business in India. The theoretical literature indicates that a close economic relationship is not an absolute prerequisite to a good political and security relationship.<sup>29</sup> However, one might argue that a closer economic relationship would at least assist in avoiding a misalignment of interests, particularly in dealing with China, as was apparently the case in the early 1960s. An anaemic economic relationship between Japan and India when placed against the overwhelming economic significance of China to Japan and the burgeoning trade relationship between China and India could place significant limitations on the alignment of Japan and India's interests, particularly in seeking to develop "balanced" regional political and economic institutions. The lack of a substantial economic relationship could lead to fragility in the security relationship to the extent there is a disjunction between India and Japan's political and economic interests.

In the immediate years following independence, India had high hopes of an economic partnership with Japan that would act as a major driver of India's industrial

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<sup>28</sup> Evan S. Medeiros *et al*, "Pacific Currents: The Responses of US Allies and Security Partners in East Asia to China's Rise" (Santa Monica: Rand Corporation, 2008).

<sup>29</sup> Among the extensive literature on the relationship between trade and alliances, see Edward D. Mansfield, *Power, Trade & War* (Princeton: Princeton University Press, 1994); Joanne Gowa, *Allies, Adversaries and International Trade* (Princeton: Princeton University Press, 1994); and Michael P. Gerace, *Military Power, Conflict and Trade* (London: Frank Cass, 2004).

development. Just as Japan had successfully industrialised its own economy, India's leaders believed it could provide capital, technology and know-how to India to assist in India's industrialisation. Japan also identified India as a major potential market in the post-war reconstruction of the Japanese economy and in 1958 India was chosen as the first country to receive Japanese ODA as part of Japan's policy of promoting economic liberalisation in the region. However, the Indian economy remained largely closed until the 1980s. Japanese businesses found that India was essentially an unattractive place for investment as a result of high tariff barriers, an inefficient, obstructive and often corrupt Indian bureaucracy and legal system, restrictive labour laws and severe restrictions on repatriation of capital and profits.

Underlying the economic disconnection for the second half of the twentieth century was a major disconnect between the Indian and Japanese business cultures. As has been discussed in chapter 4.1, there appears to be powerful cultural barriers between India and Japan. While Japanese businesses successfully adapted to the business environments in Southeast Asia and China during the 1960s, 70s and 80s, there were difficulties in adapting to the Indian business environment. This contributed to the inability/unwillingness of Japanese business to adapt its assembly/export business model that was so successful in Southeast Asia and China to the Indian business environment. Japan's experience stands in notable contrast with South Korean businesses which, as discussed in chapter 3.4, have been better able to adapt to the local business environment and have become a major economic force in India.

The focus on developing Indian economic links by Japanese political leaders since the early 1990s, and particularly since the turn of the century has largely failed to reverse this situation. While Japanese investment in India has increased significantly in absolute terms, it remains extremely small relative to other Japanese investment destinations. Japanese investment in India over the period April 2000 to December 2009 aggregated US\$3.6 billion or 4% of total FDI in India. Japanese investment in India in the ten years to 2007 represented a mere 0.7% of all Japanese foreign



investment over that period (as compared with 26% invested in China). Bilateral trade too is small in relative terms. Bilateral trade between India and Japan for 2008/09 was US\$10.9 billion and is growing at a rate of around 20-30% per annum. (By way of comparison, Japan-China bilateral trade was US\$232 billion in the year to November 2009.) Nevertheless, a recent survey indicated that Japanese businesses expect India to become a major trading partner over the next several years.<sup>30</sup>

The picture for private trade and investment between Japan and India contrasts with Japanese ODA to India, where in recent years the Japanese government has made a concerted effort to give priority to the relationship. India overtook China as the largest destination of new Japanese ODA loan commitments in 2003. The Japanese government is continuing to use its ODA program in an attempt to expand economic ties. Simultaneously with the signing of the Security Declaration, Japan announced an ODA package of US\$4.6 billion in loans to help build a Mumbai-Delhi rail freight connection, the largest amount ever provided under Japanese ODA for a single project. However, suggestions that ODA should be directed towards security-related projects such as the upgrading of port and maritime infrastructure have not been implemented.<sup>31</sup> While an impressive indication of political commitment from the Japanese government, the focus on ODA-driven investment underlines the lack of major private Japanese investment in India as compared with Japan's economic competitors.

Both India and Japan have sought to encourage greater economic links through a bilateral Comprehensive Economic Partnership Agreement intended to encourage trade and investment. Although negotiations on an agreement began in early 2007, progress has stalled on lowering tariff and non-tariff trade barriers on certain products

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<sup>30</sup> "India and Japan." < <http://www.ibef.org/india/indiajapan.aspx> >.

<sup>31</sup> Hitachi Research Institute, "Manmohan Singh's Visit to Japan: Recent Trends, Historical Perspectives," 7 February 2007.

and nor is there an agreed target date for its finalisation. Sales of Indian agricultural and pharmaceutical products to Japan and Japanese automobiles and chemical products to India remain significant issues. Meanwhile, India has finalised free trade and investment agreements with key competitors of Japan such as Singapore, South Korea and ASEAN and Japan has finalised its own free trade agreements with Malaysia, Indonesia and ASEAN. Given the history of the economic relationship over the last 60 years there may be doubts whether a free trade agreement would make a major difference to economic relations between India and Japan. Nevertheless, it may be an interesting test of political resolve of both in overcoming powerful domestic constituencies that would be opposed to such a deal.

The continuing weakness in the economic dimension of the relationship has led to the India-Japan relationship being described as having a “top heavy security component (albeit, at present, more in intent than content).”<sup>32</sup> Indian Prime Minister Manmohan Singh made no bones about this problem in the October 2008 summit, reminding his hosts of the paucity of Japan’s economic links with India in comparison with its competitors. Singh pointed out that the increase in India’s bilateral trade with China in the past one year alone is more than the whole of India’s *total* annual trade with Japan. Indian Foreign Minister Menon described security and political cooperation as the *second* leg of the bilateral relationship and made it clear that the *first* leg, economic cooperation, was yet to realise its full potential.<sup>33</sup>

This chapter will now examine the underlying perceptions and expectations in Japan and India about the relationship.

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<sup>32</sup> Sourabh Gupta, “Japan-India Joint Declaration on Security Cooperation: Groping towards an Asia-wide Security Architecture,” *Nautilus Institute Policy Forum Online* 08-085A, 4 November 2008.

<sup>33</sup> Siddhart Varadarajan, “India, Japan say new security ties not directed against China,” *The Hindu*, 23 October 2008

### 4.2.3 Japanese perspectives on a security relationship with India

Japan's security environment is dominated by two factors: its security alliance with the United States and its relationship with China. While the US alliance is generally regarded as core to Japan's security there are also widespread anxieties in Japan about the nature of the alliance. This has led to attempts to draw closer to the United States simultaneously with a desire to reduce Japan's reliance on the US. At the same time, Japan is also painfully aware of the decline in its power relative to China and perceives potential risks in the maintenance of the US alliance in the face of China's rise.<sup>34</sup>

Comments such as those by the now US Secretary of State Hillary Clinton that the US relationship with China "will be the most important bilateral relationship in the world this century"<sup>35</sup> have only served to heighten these fears. Despite broadly-held fears in Japan about a China "threat" and the relative decline in Japan's strategic position, there is little consensus about an appropriate response to this perceived threat or about Japan's relationship with the rest of Asia.

Since the end of the Cold War, Japan's security policy has been a domain that is hotly contested among various streams of thinking (which have been tagged variously as normal nationalists, middle-power internationalists, new autonomists, neo-revisionists, realists, globalists, mercantilists, Asianists and pacifists).<sup>36</sup> A lack of consensus has significantly contributed to a lack of direction in Japanese security policy and, according to Katzenstein, resulted in a high degree of policy rigidity.<sup>37</sup> While

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<sup>34</sup> Japan's views on the Chinese threat has been described as "something approaching panic." Aurelia George Mulgan, "Breaking the Mould: Japan's Subtle Shift from Exclusive Bilateralism to Modest Minilateralism," *Contemporary Southeast Asia* Vol.30, No.1 (2008) pp.52-72 at p.60.

<sup>35</sup> "A glance at features of Hillary Clinton's Asian tour," *Xinhua (English edition)*, 22 February 2009.

<sup>36</sup> Samuels, *Securing Japan*.

<sup>37</sup> Peter J. Katzenstein, *Rethinking Japanese Security: Internal and external dimensions* (London: Routledge, 2008), p.3-4

changes in Japanese government may lead to a change in emphasis, there is often no clear change in policy direction. Further, according to Katzenstein, Japanese security policy is formulated within an institutional structure that biases policy strongly against a forceful articulation of military security objectives, making it more difficult to discern significant changes in policy direction.<sup>38</sup>

Amidst this contestation on security policy, Japanese thinking about the substance of its relationship with India is relatively underdeveloped. However, the Japan-India relationship is unusual for the degree to which it is seen in positive terms (if not always of central importance) across several streams of Japanese strategic thinking, simultaneously fulfilling several different external policy objectives. In broad terms, the development of a relationship with India whose relative power is on the rise while Japan's relative power is in decline is seen as one response to Japan's strategic dilemma. Japan's new view of India as a useful security partner stands in stark contrast with the indifference shown to India for five decades or so after the end of the Pacific War where it was seen to have little value as a partner.

Some in Japan see a closer relationship with India as part of developing better security relationships with key US security partners both inside and outside the region. They argue that the US security relationship can be *strengthened* through better embedding Japan in the broader Western alliance system. An explicit goal of improving Japan's relations with US strategic partners was first articulated as a specific strategic objective by Japanese Prime Minister Koizumi in May 2003 and was reaffirmed in the 2004 Araki Commission Report and Japanese National Defence Program Guidelines.<sup>39</sup> Aso (then Foreign Minister and later Prime Minister) also expressly advocated strengthening relations with NATO as a means of strengthening Japan's relations with the United

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<sup>38</sup> Peter J. Katzenstein and Nobuo Okawara, "Japan's Security Policy: political, economic and military dimensions" in Katzenstein, *Rethinking Japanese Security*, pp.59-75.

<sup>39</sup> See Samuels, *Securing Japan*, at p.193.

States. Developments in Japan's relationships with Australia and to a lesser extent India (at least during the period 2007-08) should be understood within this context.<sup>40</sup>

There is little doubt that Japan's relationship with India has improved as a consequence of improvements in US-Indian strategic relations in recent years. Elements of the Bush administration played a key role in encouraging Japanese proposals for the Quadrilateral, which the Abe government seemed glad to pursue. The idea had been proposed within the track 1.5 US-Japan-India trilateral strategic dialogues first held in June 2006<sup>41</sup> and then supported in the so-called Second Armitage-Nye Report issued in February 2007.<sup>42</sup> It was then pressed by Vice President Dick Cheney during his March 2007 visit to Tokyo.<sup>43</sup> While the Quadrilateral initiative did not receive wholehearted support in the Bush administration (with Secretary of State Condoleezza Rice reportedly opposed to it), the United States remains supportive of a closer security relationship with India as part of extending Japan's regional security role.<sup>44</sup> However, as will be seen below, the current Hatoyama government is likely to be inclined to further extend the bilateral nature of the

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<sup>40</sup> Heigo Sato, "Arc of Freedom and Prosperity" in Centre for Strategic and International Studies, "Bridging Strategic Asia: The Rise of India in East Asia and Implications for the US-Japan Alliance" Winter 2008. <[www.csis.org](http://www.csis.org)>.

<sup>41</sup> See, "The United States, Japan and India: Toward New Trilateral Cooperation" Center for Strategic and International Studies, 16 August 2007. <[www.csis.org](http://www.csis.org)>.

<sup>42</sup> *The US-Japan Alliance: Getting Asia Right through 2020*, co-authored by former US Deputy Secretary of State Richard Armitage, which asserted the importance of cooperation by Japan with Australia and India founded on "common values." Despite its unofficial status, the report was considered in Japan as intended as a policy guide for the then current and next US administrations.

<sup>43</sup> Denis Shanahan, "Pacific allies enlist India," *The Australian*, 15 March 2007.

<sup>44</sup> See "US-Japan-India Strategic Dialogue October 17-19 in Delhi, India – Key Recommendations," Center for Strategic and International Studies. 6 November 2008. <[www.csis.org](http://www.csis.org)>.

relationship with India while also distancing the Indo-Japanese relationship somewhat from the US aspect.

A relationship with India is also consistent with a long-running *Pan-Asianist* stream in Japanese strategic thinking. Pan-Asian ideas are found both among nationalists and historical revisionists who have had influence in the Liberal Democratic Party (LDP) administration over the last decade or so, as well as anti-militarists within the current Democratic Party of Japan (DPJ) administration. The Pan-Asianism prevalent in Japan in the years up to the Pacific War was a loose set of ideas positing egalitarianism among Asians (in opposition to the West), at the same time as Japanese superiority.<sup>45</sup> It grew as an idealistic/romantic antithesis to the realist foreign policies pursued by Meiji-era Japan in pursuing relationships with Western great powers. Although suppressed in post-war Japan, ideas of Pan-Asian nationalism have experienced something of a revival. In broad terms Pan-Asian thinking favours close relations with Asia over exclusive reliance on the US alliance and it is seen by some as potentially undermining the alliance.<sup>46</sup> Others see such thinking as not necessarily inconsistent with a simultaneous desire to continue or even strengthen the US alliance. Pan Asianism in Japan has traditionally been confined to the Sinic world (Japan, China, Korea and Vietnam) and more generally East Asia, although in recent years the Japanese concept of “Asia” has been gradually expanding westwards. A particular attachment to India could be found during Prime Minister Nobusuke Kishi’s administration during the late 1950s, which was continued by his grandson, Prime Minister Abe in 2007, then leader of the Kishi faction in the LDP. Abe was particularly fond of highlighting examples of supposed solidarity between India and Japan against the West during the 1940s. Thus Abe on his visit to India in August 2007 made a public

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<sup>45</sup> See generally, Sven Saaler and J.Victor Koschmann (eds.), *Pan Asianism in modern Japanese history: Colonialism, Regionalism and Borders* (New York: Routledge, 2007).

<sup>46</sup> See, for example, S.Javed Maswood, “Japanese foreign policy and regionalism,” in S.Javed Maswood, *Japan and East Asian regionalism* (London: Routledge, 2001), pp.6-25.

visit to the home of Subhas Bose, the wartime leader of the Indian National Army, a group of captured Indian soldiers who collaborated with the Japanese in fighting the British during the Pacific War.<sup>47</sup> Abe also met with the family of Radhabinod Pal, an Indian judge who in 1949 dissented from the conviction of Japanese leaders in the Tokyo War Crime trials.<sup>48</sup> In highlighting these episodes Abe sought to both legitimise Japan's wartime role and the supposed legacies of pan-Asian cooperation between Japan and India. Many in the current DPJ Hatoyama government exhibit similar ideas about Asian regionalism (albeit with an anti-militaristic bent), which may lead to greater emphasis on key regional relationships as an intended counterpoint to Japan's relationship with the United States.

A security relationship with India would also find support among Japanese *nationalists* who hold significant (though often non-public) influence throughout Japan's political, bureaucratic and military systems. The nationalist or rightist movement is essentially revisionist in terms of Japan's foreign policy, advocating a militarily strong, assertive and independent Japan and generally identifying China as Japan's key threat. Although some nationalists find Japan's reliance on the US security umbrella "humiliating" they do not necessarily oppose the US alliance, though they would advocate that the alliance be placed on more equal terms. Nationalists are attracted to a relationship with India in terms of finding common cause in forming a military balancing coalition against the perceived China threat and an opportunity for Japan to partially hedge against a perceived risk of the United States abandoning Japan in favour of China. Nationalists identify India as a potentially important security partner

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<sup>47</sup> As previously discussed, in celebrating Japan's sponsorship of the INA, Abe conveniently forgot that in early 1942 Nehru and the great majority of the Congress Party leadership had firmly resolved to assist the British in resisting Japanese imperialism.

<sup>48</sup> The Japanese defendants in the Tokyo trials almost included Abe's grandfather, Nobusuke Kishi. He had been armaments minister in Japan's wartime cabinet, but was released from prison by the Americans in 1948 in somewhat obscure circumstances.

of a future Japan shorn of its current legal and political constraints on the projection of military power and having the ability to act outside the US security umbrella.

Overlaying these streams of Japanese thinking are questions about whether Japan may be about to make a major change in strategic direction. Kenneth Pyle, a long-time observer of the historical development of Japanese strategic practice, believes that Japan is currently in the process of making one of its periodical revolutionary changes of course in foreign policy strategy in response to the new strategic environment in Asia and a generational change in Japan's leadership. According to Pyle, this may involve Japan completely abandoning the Yoshida Doctrine which anchored Japan to the US security relationship during the Cold War. This will not necessarily involve a loosening of the US alliance, but is likely to involve Japan seeking to rebuild its ties in Asia and promoting multilateral institutions in Asia where it can establish leadership and compete with China for influence.<sup>49</sup>

### ***Japanese thinking on future directions of an Indian security relationship***

While a security relationship with India has conceptual support among several different streams in Japanese strategic thinking, there is little consensus about how the relationship might be developed. A security relationship with India is also inescapably limited by Japan's self imposed limitations on the projection of military power. Under its current constitutional arrangements, Japan is effectively unable to extend military cooperation with India much past the level of regular joint naval and coast guard exercises,<sup>50</sup> anti-piracy operations, joint disaster management<sup>51</sup> and the

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<sup>49</sup> Kenneth B. Pyle, "Abe Shinzo and Japan's Change of Course," *NBR Analysis*, Vol.17, No.4 (October 2006); and Pyle, *Japan Rising*.

<sup>50</sup> The Japanese and Indian Coast Guards have held annual joint search and rescue and anti-piracy exercises since 2000 and signed a Memorandum on Cooperation in 2007. The Japanese



multi-layered consultations as provided in the Security Declaration. Despite these limitations, India could still play an important role in Japan's evolving security posture in at least two key respects.

The key area of cooperation between Japan and India over the coming years is likely to be political and diplomatic cooperation in regional fora. Japan's efforts to include India in regional multilateral political and economic structures such as the East Asia Summit have clearly been motivated by a desire to use India to balance China within those fora. This balance is perhaps more in the nature of a balance of power contemplated by some classical realists (i.e. the development of a preferred distribution of power) than the type contemplated by neorealists (i.e. the formation of a coalition to balance against a perceived military threat). In this sense, a relationship with India may serve simultaneously as part of a political balancing strategy in relation to China and as a political hedging strategy with respect to the United States. In cooperation with India, Japan might carve out for itself a greater political role in Asia-Pacific security and play a greater role in security agenda-setting so as to potentially strengthen Japan's political hand *within* the US alliance.<sup>52</sup> This could help to ensure that Japan's interests were not overlooked by the United States as was sometimes perceived to be the case in the past (for example, the North Korean nuclear issue where Japan has sometimes felt sidelined by the United States).

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Coast Guard is administered separately from the Japanese Self Defence Forces and is not subject to the same constitutional or political limitations as the Self Defence Forces.

<sup>51</sup> Such as cooperation demonstrated between India and Japan during the December 2004 Indian Ocean tsunami.

<sup>52</sup> Former Foreign Minister, Kakizawa Koji, quoted in Paul R. Daniels, "Beyond 'Better than Ever': Japanese Independence and the Future of US-Japan Relations," Institute for International Policy Studies, IIPS Policy Paper 308E, July 2004, p.10.

Developing this theme further, some have argued that India might also be a useful partner for Japan in helping to bring about a “strategic convergence” between the United States and its allies and a future East Asian economic community which would include both China and India.<sup>53</sup> This reasoning rejects casting India as merely a defensive balancer against China, a role which, it is claimed, India would refuse to take in any event.<sup>54</sup> Instead India would be a partner in promoting multilateral political and economic institutions that allow for the inclusion of China in a way that is acceptable to the region.

For Japan, the other key role of an India relationship is in maritime security. Many in Japan identify the India relationship primarily as a maritime coalition, particularly in connection with the security of Japan’s sea lanes to the Middle East.<sup>55</sup> The title of Prime Minister Abe’s 2007 address to the Indian Parliament, “The Confluence of Two Seas”, provides an insight into Japanese thinking about the relationship, i.e. a meeting of maritime powers of the Pacific and Indian Oceans. For Japan, a key concern is the ability of India to provide maritime security to Japan in the Indian Ocean in combination with or, potentially, as a partial alternative to Japan’s reliance on the United States in that region. As the former Chairman of Joint Staff of the Japanese Defence Agency, Admiral Natsukawa, commented in 2006, “Only India has the capability and intention for security cooperation in this huge sea area [the Indian Ocean], the west side of the Malacca Strait.”<sup>56</sup> Similarly, the Japanese National Institute of Defence Studies has called India “the sole dominant power” in the Indian

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<sup>53</sup> National Institute of Defense Studies, *East Asian Strategic Review 2005*, p.36. See also Samuels, *Securing Japan*, at p.201.

<sup>54</sup> See, for example, Takenori Horimoto, “The World as India sees it” *Gaiko Forum*, Vol.6, No.3 (Fall 2006) p.4-5.

<sup>55</sup> Daniels, “Beyond ‘Better than Ever,’” p.10.

<sup>56</sup> Kazuya Natsukawa, Opening Address, Indo-Japan Dialogue on Ocean Security, Tokyo, 12 October 2006.

Ocean.<sup>57</sup> Given the current pre-eminence of US military power in the Indian Ocean region these comments are significant and suggest that Japan may wish to partially hedge its reliance on the United States. Japanese views on an Indian security role inside the Malacca Strait may be less enthusiastic, although it is arguable that Japan, like the United States, may see India as playing a useful role as an external security provider in the Strait given local political sensitivities.

In contrast with its enthusiasm for an enhanced role for India in the Indian Ocean there seems to be little desire in Tokyo to see the Indian navy playing a material role north of Singapore.<sup>58</sup> India is largely seen as an Indian Ocean power without direct interests in East Asian security. Certainly, a tacit division of responsibilities between Japan and India to provide maritime security in the Pacific and Indian Oceans is not wholly unfeasible from Tokyo's standpoint, particularly if the United States is perceived to have a reduced presence or reliability in the Indian Ocean. Some might even go further and see a potential demarcation of Japanese and Indian maritime spheres of influence north and west of the Malay peninsula.

The unanswered question in all this is the extent to which Japan would realistically be prepared to develop a meaningful security relationship with an India that is not prepared to act substantially in coordination with the United States. Some in Japan would prefer to see India as occupying a strategic role akin to a "France in Asia"<sup>59</sup> (i.e. generally within the US strategic sphere while maintaining a degree of political autonomy), in which India could cooperate closely with a Japan that is still deeply embedded in the US security relationship. However it seems unlikely that India would allow itself to be cast in those terms.

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<sup>57</sup> National Institute of Defense Studies, *East Asian Strategic Review 2008*, p.219.

<sup>58</sup> Author interviews with Japanese security analysts, June 2009.

<sup>59</sup> For example, Horimoto, "The World as India sees it."

While the current DPJ-led government generally sees an India relationship in positive terms, the government's foreign policy stance remains unclear in many respects. The Hatoyama government has made US bases a major domestic political issue and scaled back the previous government's goal of a global security partnership with the United States.<sup>60</sup> It is also generally inclined against the projection of military power (it cancelled Japan's token maritime role in the Indian Ocean in support of the Afghanistan campaign, although it has so far continued Japan's contribution to anti-piracy operations in the Gulf of Aden) and against any relaxation of restrictions on the export of nuclear technology. However, until the Hatoyama administration develops a clearer vision of Japan's role in the region it seems unlikely that there will be significant developments in the India relationship.

#### **4.2.4 Indian perspectives on a security relationship with Japan**

For India, the development of a security relationship with Japan is one outcome of the revolution in Indian strategic thinking since the end of the Cold War. Nehruvian strategic doctrine effectively placed Japan in a box that made it very difficult for New Delhi to consider it as a potential strategic partner. However, a strategic relationship with Japan is now consistent with several of the themes in Indian strategic thinking. As discussed section 2.2, these themes include the "holy grail" of strategic autonomy and related ideas of a multipolar regional security order; concerns over the impact on China on the Asian balance of power and ambitions to make India an "indispensible element" in that balance; thinking about India as a maritime power, predominant in the Indian Ocean; as well as the development of a new strategic relationship with the United States. Japan, as a key US ally, a major Asian power and a Pacific maritime

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<sup>60</sup> See generally, Leif-Eric Easley, Tetsuo Kotani and Aki Mori, "Electing a New Japanese Security Policy? Examining Foreign Policy Visions within the Democratic Party of Japan," *Asia Policy*, No.9 (January 2010), pp.x-xx.

state with security needs in the Indian Ocean, stands at the intersection of all these themes in Indian strategic thinking.

Since the turn of the century, there has been a high degree of consistency in Indian policy towards Japan, largely reflecting a consensus within the Indian political elite on the desirability of enhancing the relationship. As Manmohan Singh commented, “Our relations with Japan enjoy a strong national consensus in our country.”<sup>61</sup> A bilateral security relationship with Japan is almost universally seen as non-threatening to India’s strategic autonomy. The lack of perceived threat presented by Japan reflects the long-running separation of security dynamics between East Asia and South Asia. A lack of strategic or historical baggage, together with Japan’s non-assertive stance in regional security affairs since the end of World War II, has contributed to a view in India that Japan is unlikely to act as a strategic competitor.

India has also shown a considerable degree of patience in developing its relationship with Japan. New Delhi is relatively sensitive towards Japan’s domestic political limitations and as a result has generally allowed Japan to set the pace in developing security aspects of the relationship. Whether or not India would be prepared to enter into a multilateral relationship involving Japan and the United States (in the nature, for example, of the putative Quadrilateral), it is clear that New Delhi is very comfortable with a bilateral security relationship with Japan. Thus New Delhi acted with uncharacteristic speed in September 2008 when a new Japanese government under Taro Aso proposed the Security Declaration.<sup>62</sup> As Indian Foreign Minister Shiv

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<sup>61</sup> “India, Japan ink Action Plan on Security Cooperation” NetIndian News Network, 29 December 2009. <<http://netindian.in/news/2009/12/29/0004571/india-japan-ink-action-plan-security-cooperation>>

<sup>62</sup> The Security Declaration was apparently pressed on Aso by LDP’s Kishi faction (on which Aso depended) and seen as a “low cost” diplomatic achievement.

Shankar Menon commented at the time, the Security Declaration was signed largely at the initiative of Japan and its form was largely driven by Japanese considerations.<sup>63</sup>

***Indian thinking on future directions of a Japan security relationship***

Although there is broad consensus in the Indian security community about the desirability of an India-Japan relationship, there is a divergence of views in India about how it might fit within India's evolving strategic posture. To a significant extent this reflects tension between a perceived need of India to form strategic relationships with the United States and its allies on the one hand and on the other a goal of maintaining strategic autonomy and promoting the development of a multipolar region. While there is a broad understanding in New Delhi of Japan's strategic limitations, these are not generally seen as a major impediment to India's goals except as they affect India's immediate desires to gain access to Japanese nuclear and defence technology. Paradoxically, Japan's self-imposed limitations on the projection of power also make it a attractive partner in helping to legitimise India's great power status regionally and particularly in the Indian Ocean.

Many in India see a security relationship with Japan as highly consistent with India's goal of strategic autonomy. While it is generally understood in New Delhi that the immediate trigger for improvement in relations with Japan over the last several years was the development of India's security relationship with the United States, Indian analyses tend to place significant emphasis on the "independent" and "equal" nature of the India-Japan relationship. This is often contrasted with the India-US relationship where there is a perceived risk of the United States building India as a junior alliance

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<sup>63</sup> Siddharth Varadarajan, "India, Japan say new security ties not directed against China," *The Hindu* 23 October 2008.

partner.<sup>64</sup> Although a US ally, Japan is generally not seen as threatening India's freedom of action. Many Indian strategic commentators see India and Japan as becoming "key stakeholders" in East Asian affairs.<sup>65</sup> Japan, as a major power could also anchor a series of bilateral relationships between India and its East Asian partners. Some even see the Japan relationship as potentially part of an Indian-centred "constellation" of Asian states linked by strategic cooperation and sharing common interests, including in counterbalancing China.<sup>66</sup> Chellaney sees the relationship as providing India with another link into the US security sphere, forming the foundation for a quadrilateral relationship including the United States and Australia, as well as potentially forming the foundation of an India-Japan-Russian trilateral relationship. This, according to Chellaney, would be the way to form a "true counterbalance to China," because it "would effectively contain China on all sides."<sup>67</sup> Others hope that Japan (presumably with India's encouragement) will one day cast off its US strategic umbrella to join with India as a new global power centre and that China will thereby afford them both "strategic space."<sup>68</sup> According to these perspectives, the Japan-India relationship is potentially of fundamental importance to India, possibly helping to place India at the pivot of any future Asian security arrangements.

Other Indian analysts are less enthusiastic about any suggestion that India might attempt to sponsor a separate Asian security system, but nevertheless see Japan as an

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<sup>64</sup> Jain, "From Condemnation to Strategic Partnership," and Chellaney and Takenori, "Indo kara mita Nihon, Ajia."

<sup>65</sup> G.V.C. Naidu, "Indo-Japan relations: Emerging Contours of Strategic Partnership."

<sup>66</sup> Ibid.

<sup>67</sup> Chellaney and Takenori, "Indo kara mita Nihon, Ajia". As unlikely as such a vision may seem, it is not necessarily new – Indian commentators speculated about the development of an India-Soviet-Japan axis against China in the early 1970s. Press Trust of India, "Reaction to Indo-Soviet Treaty – Japan's Isolation Heightened," *The Patriot*, 19 August 1971.

<sup>68</sup> Dr. Subhash Kapila, "Japan-India "Strategic Dialogue" (March 2007) A Misnomer," *South Asia Analysis Group*, Paper No. 2187, 29 March 2007.

important partner in India's strategic ambitions. These include the modern-day successors of the nonalignment school who see a relationship with Japan and India as potentially helping to keep India relatively equidistant and nonaligned between two poles in Asia, China and the United States.<sup>69</sup> Others see the possibility of India occupying a middle ground of partial attachment to the United States while retaining significant autonomy. Mohan sees the Japan relationship as springing from India's closer relationship with the United States, but also as potentially part of an issue-based coalition that India could use to maintain its strategic flexibility.<sup>70</sup> According to this view, while India and Japan will have interests in assisting each other in East Asia and elsewhere, neither will Japan abandon the US alliance nor will India become a "deputy" for the United States in Asia. Mohan believes that a bilateral relationship between India and Japan (in contrast to a multilateral security relationship including the United States) would avoid alienating China, allowing India and Japan to "create a new magnet in Asia; not a wall of separation."<sup>71</sup>

One area where New Delhi recognises a strong alignment of interests with Japan is on the need to integrate India into various East Asian political and economic institutions. Japan along with others such as Singapore can provide India with crucial diplomatic support in gaining entrance to these groupings potentially against the resistance of China. New Delhi believes that it is imperative that India be integrated into the economic engine of East Asia and avoid being locked out of regional economic and political fora as had often occurred in the past. Japan is seen as a key ally in ensuring that India not only participates in these regional arrangements, but that it is seated at

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<sup>69</sup> See, for example, Rajesh Rajagopalan and Varun Sahni, "India and the Great Powers: Strategic Imperatives, Normative Necessities," *South Asian Survey* Vol. 15 No.5 (2008) pp. 5-32.

<sup>70</sup> S.D.Muni and C.Raja Mohan, "Emerging Asia: India's Options," *International Studies*, Vol. 41 No. 3 (2004), pp.313-333.

<sup>71</sup> C.Raja Mohan, "Japan and India: The Making of a New Alliance?" *RSIS Commentaries*, 27 August 2007.



the “top table” in the negotiation of an Asian economic community and in any future regional security arrangements.

Like Japan, many in India also see the relationship primarily in terms of maritime security. It is recognised in New Delhi that Japan’s present ability to contribute to regional maritime security is limited. However, Japan can play an important role in legitimising India’s ambitions in the Indian Ocean. While Japan is recognised as a major (if partly inchoate) naval power in the Western Pacific, it also has few pretensions about projecting significant naval power into the Indian Ocean or in challenging the Indian navy’s vision of having a leading role in the Indian Ocean. Japan’s preparedness to accommodate itself to this vision serves to legitimise India’s great power ambitions. As Kesavan puts it “Indo-Japanese cooperation could become a core component of the entire Indian Ocean security mechanism”<sup>72</sup> (One might mischievously add, in an Indian Ocean security mechanism which recognises Indian naval pre-eminence.) Not surprisingly, the Indian navy has been at the forefront of advocating the Japan relationship, and is keen on building strong ties with the Japanese Maritime Self Defence Force and Japanese Coastguard as part of a coalition of maritime powers. Despite suggestions that India and Japan could enter into reciprocal security arrangements in their respective maritime zones (e.g. allowing escorts of each other’s vessels on request, or cooperation in maritime interdiction),<sup>73</sup> there have been few indications of concrete Indian expectations of a Japanese role as a maritime security provider.

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<sup>72</sup> K.V.Kesavan, “The Indo-Japanese Partnership: The Security Factor” Observer Research Foundation, ORF Issue Brief No.19, May 2009.

<sup>73</sup> Gurpreet S. Khurana, “Security of Sea Lines: Prospects for India-Japan Cooperation,” *Strategic Analysis*, Vol.31, No.1 (January-February 2007).

## Conclusion

After many decades of strategic indifference the India-Japan relationship has developed to a remarkable degree over the last five years. Whereas India and Japan saw little reason to engage during the second half of the twentieth century (even if others may have sometimes perceived good reasons for them to do so), they now perceive many reasons to engage. This reflects a virtually simultaneous change in both India and Japan's strategic positions at the end of the twentieth century: Japan now sees itself as strategically vulnerable, with good reason to develop new relationships; India has a newfound confidence that has opened up its strategic options. A security relationship between them now has strong conceptual support within several constituencies in both Japan and India and has the potential to fulfil multiple strategic goals for each.

China looms large in the relationship and mutual perceptions of a "China threat" are clearly strong motivations to develop the relationship as a regional balance. However the United States looms equally large. For Japan, a relationship with India could help strengthen its US alliance (through broadening Japan's relationships in the US security sphere) as well as potentially providing it with greater bargaining power within that relationship. For India, the relationship with Japan has been facilitated by its closer relationship with the United States. However, a security relationship with a Japan, either embedded in the US security relationship or, as some in New Delhi dream, loosened from it, can potentially increase India's influence and help in achieving India's objective of a multipolar region.

Despite some differences in objectives, the growing alignment of interests in relation to China has broken through their history of strategic indifference. One might argue that the foundations exist for a potential "grand bargain" between India and Japan. This could potentially involve a loose coalition to balance against China, a partnership to develop regional economic, political and security structures and possibly even an

implicit recognition of spheres of influence in the Indian and Pacific Oceans. Although Japan currently seems to have little clear strategic direction, there is good reason to believe that the relationship will continue to develop in years to come.

## **Part 5 - Understanding India's strategic engagement with maritime East Asia**

This Part will draw on the preceding investigations to address the primary questions posed by this thesis: What are India's primary objectives in its strategic engagement with maritime East Asia? To what extent do India's relationships in East Asia involve balancing against China or a desire to expand its strategic space? This will be answered through the following inquiries:

- What are India's strategic objectives in maritime East Asia?
- What are East Asian strategic perspectives of India?
- In what ways can theoretical explanations of India's strategic behaviour add to our understanding?

This thesis will conclude that balancing against China is an important factor in India's strategic engagement with East Asia, particularly in its "peer" relationship with Japan. However, a desire to expand India's strategic space is a more significant factor in its security relationships in Southeast Asia. This thesis will then consider some of the ramifications of these conclusions on India's future strategic role in East Asia.

## **Part 5 - Understanding India’s strategic engagement with maritime East Asia**

- 5.1 Theoretical perspectives on India’s engagement with maritime East Asia
- 5.2 India’s strategic objectives and East Asian perspectives
- 5.3 Conclusions and future directions

### **5.1 Theoretical perspectives on India’s engagement with maritime East Asia**

In what ways can various theoretical frameworks contribute to an understanding of India’s strategic engagement with maritime East Asia? Although most international relations theories posit the existence of a dominant factor or set of factors in understanding strategic behaviour, this thesis has found examining India’s regional relationships through a single analytical lens to be unsatisfactory. Instead, it has taken the approach that strategic relationships are likely to be affected by several strategic motivations which may be complementary or even inconsistent. Indeed, the empirical evidence presented in Parts 3 and 4 indicates that India’s strategic engagement with East Asia involves numerous motivations and objectives. Nevertheless, as will be seen, each of the theoretical streams discussed in Part 1 remains of considerable benefit in understanding these motivations, if not perhaps providing the complete picture.

#### ***Regional security complex theory***

India’s limited historical interaction with East Asia is highly consistent with the theoretical literature that emphasises the relative autonomy of regional security complexes. Until recent years, there was a high degree of strategic indifference between India and East Asia, which behaved largely without regard for the strategic issues of the other. However, as Buzan has observed, the division between the Northeast Asian, Southeast Asian and South Asian security complexes are becoming

less distinct. As a result, India is becoming a significant factor in the security dynamics of Southeast Asia and to a lesser extent in Northeast Asia.

The historical separation of Asian security complexes was at its starkest between South and Northeast Asia. India and Japan/South Korea largely ignored each other through the latter half of the twentieth century. India was preoccupied with security threats in South Asia and its own attempts to achieve predominance within that region. Japan saw its own strategic space (even in its most extended version) as effectively ending at the Indian border, where the Japanese army halted in 1942. Although China has always been a major factor in the security dynamics of each subregion, it historically separated them rather than linking them in the classic checkerboard pattern of international relations. Throughout the Cold War and after India and Japan gave priority (both in positive and negative terms) to their relationships with China, largely without reference to their relationships with each other. Nehru's objections to Japan's post-war settlement with the United States in 1951 were driven not by concerns about Japan's security, but by the future security roles of China and the United States in Asia. Tokyo's views on the 1962 Sino-Indian war were driven not by any interest in India's security but by the primacy of its relationship with China. Even when both had high threat perceptions about China, as in the late 1960s, neither India nor Japan saw a commonality of strategic interests. Japan's strong reactions to India's nuclear tests in 1998 are better explained by an indifference to South Asian security affairs than any real interest. It is only in recent years that China has become more of a unifying than a separating force between South and Northeast Asia. Mutual threat perceptions of China now play a key role in the India-Japan relationship and China's relations with Pakistan and DPRK has been a factor in the India-South Korea relationship. The relationships are coming closer to resembling the classic checkerboard matrix.

Until recent years, a South Asian security region also operated quite separately from Southeast Asia. Despite India's relatively strong historical and cultural links with the region, India refused to take any substantive security role in Southeast Asia during the

Cold War. India's passive approach towards Southeast Asia was partly driven by limitations in India's power projection capabilities and a preoccupation with immediate security threats in South Asia. It was also reinforced by Nehruvian strategic doctrine which denied legitimacy to regional security relationships outside of South Asia. The end of the Cold War and India's reach for major power status changed all that. India now perceives a need to transcend its security concerns in South Asia and form "normal" security relationships in Southeast Asia, something largely welcomed in that region.

One point is worth emphasising in this respect: if the regional security complexes in Asia are merging, they are only doing so *gradually and partially*. There is still a significant separation in regional security dynamics in Asia, particularly between Northeast Asia and South Asia, and limitations on strategic interaction between the regions might be expected to continue. While there has been increased security interaction between India and Japan due to their broader interests as major regional powers, India's primary area of interest remains South Asia and Japan's is overwhelmingly Northeast Asia. There is little suggestion, for example, that Japan or South Korea would be interested in taking a substantive security role in the security of South Asia. Similarly, notwithstanding its great power aspirations, India has avoided any involvement in security issues in North Korea or Taiwan. Nevertheless, the key change in recent years has been the development of similar perceptions of China: China now unites much more than it divides.

While there is a relatively greater degree of security interaction between South and Southeast Asia, Southeast Asian states still regard India as essentially an extra-regional power. There is little or no inclination in Southeast Asia to become involved in South Asian security issues (apart, perhaps, from some lingering diplomatic support for Pakistan among some Muslim majority states). Southeast Asian states are essentially strategically oriented northwards, towards continental Asia. Even Indian Ocean littoral states such as Indonesia, Malaysia and Thailand have a relatively low level of strategic

interest in the Indian Ocean. Their northwards orientation suggests that these states are likely to have relatively fewer concerns about the expansion of India's strategic space in the Indian Ocean as compared with the expansion of China's strategic space in the South China Sea.

Although regional security complex theory is of considerable value in understanding many of the limitations in security interactions between India and East Asia, it fails to provide analytical insight into the forces that are changing regional dynamics and driving India's strategic engagement with East Asia. For this, one must consider other theories.

### ***Neorealist balancing theory***

Many aspects of India's strategic behaviour in recent years are also consistent with Walt's balance of threats theory. According to this theory, states that perceive a rising China as presenting a potential threat (greater than any threat presented by, say, the more powerful but distant United States) might be expected to establish balancing coalitions against China.

These considerations are particularly evident in the relationship between India and Japan where there are relatively high threat perceptions in relation to China. Their relationship is not in the nature of a formal military coalition. Rather it is more in the nature of a "soft balancing" political arrangement. The relationship provides an implicit message to China about the capacity for India and Japan to join a "hard balancing" coalition if China's strategic behaviour goes beyond certain bounds. However, among other things due to Japan's constitutional and political limitations on collective defence, it seems unlikely that the India-Japan relationship will evolve into a "hard" coalition.



The relationships between India and Southeast Asian states are somewhat different. As discussed in Part 1, the balancing imperatives that are central to neorealist theory are subject to the limitations of collective action. This is particularly the case with smaller or less powerful states that have relatively small stakes in the international system. They are much less likely than more powerful states to overcome the bias against taking risky and costly action against a perceived threat and are therefore unlikely to join in any balancing coalition if they can avoid it. In fact, none of India's relationships in Southeast Asia are in the nature of a balancing coalition against China (although balancing against China is somewhat of a consideration for Indonesia, the largest of the Southeast Asian states). As will be discussed below, rather than joining in balancing coalitions, Southeast Asian states prefer to encourage the development of a multipolar balance among major extra-regional powers, something closer to classical realist ideas of a balance of power.

### ***The “omni-enmeshment” of India in Southeast Asia***

India's strategic relationships in Southeast Asia are more consistent with the so-called “omni-enmeshment” of extra-regional powers into Southeast Asia, as described by Goh. According to Goh, the ASEAN states have followed a conscious policy of creating a balance *among* external powers in terms of their interests in Southeast Asia through “triangular” diplomacy between them and ASEAN and the integration and socialisation of China into the regional system. Much of the discussion about ASEAN's approach has focused on its apparently successful embrace of China. However, Goh emphasises that this strategy is multidirectional and applies also to other extra-regional powers. The efforts of ASEAN states to draw India into a web of sustained exchanges and relationships with the long term aim of integration in many ways resembles its treatment of China even though regional threat perceptions of India are very different from perceptions of China. One might argue that India is just as liable as China to be socialised into the “ASEAN way” even though India has a very different starting point to China in terms of its approach to regional relations.

Another feature in ASEAN’s approach is not only drawing extra-regional powers into the region, but also reducing competition between them within the region. ASEAN might therefore be expected to encourage cooperation between India and China (or at least create acceptable bounds for competition between them), which could positively affect their broader relationship. While ASEAN’s primary focus is likely to be economic integration and interdependence among ASEAN, China and India, an activist ASEAN might also potentially facilitate cooperative solutions in areas of potential strategic rivalry between India and China, such as Indian Ocean maritime security.

### ***Theories of hierarchical order***

Some of India’s relationships in Southeast Asia also illustrate the importance of perceptions of hierarchical order in Southeast Asia, as emphasised by writers such as Kang. India’s pre-modern influence in East Asia differs substantially from that of China, which historically exercised a form of suzerainty over many parts of East Asia including over Indochina and the Korean peninsula. One could argue that this key historical difference has had a significant effect on some of India’s relationships in the region. For example, some in New Delhi hope that India can cultivate a “balancing” relationship with Vietnam (aimed at China) in the nature of China’s relationships with Pakistan or Burma in southern Asia (which are perceived to be aimed at India). However, this seems unlikely. While resisting the expansion of Chinese influence in Indochina for many centuries, Vietnam has at the same time paid due regard to its “big brother” relationship with China. Since the end of the Cold War, Hanoi has sought to diversify its international relationships, but only in the context of showing a calculated level of deference towards China. While there are significant differences between Vietnam and China in relation to the South China Sea maritime territories, Vietnam is unlikely, at least in the current security environment, to take any actions which would be seen as unduly provocative or disrespectful to China. Indeed, the overt involvement of third parties in Vietnam could well cause China to increase its pressure on Vietnam over the disputed territories. The existence of a hierarchical relationship

between Vietnam and China (as well as between South Korea and China), as argued by Kang, suggests that the security relationship with India is likely to remain discreet.

### ***Geopolitical explanations of India's search for strategic space***

Geopolitical analysis can also contribute to an understanding of India's strategic objectives in East Asia in several respects. The increased emphasis that India has placed on maritime power in recent years is consistent with a partial reorientation of India from a predominantly continental strategic perspective towards a more balanced continental/maritime perspective. At one level, this is a natural consequence of the opening of India's economy and expansion of its trading relationships (which includes a growing dependence on imported energy), but it has broader implications. Some see maritime power as an essential element in India's "destiny" as a great power. The United States and Japan as rising powers in the late nineteenth and early twentieth centuries similarly saw maritime power as a requisite of great power status, as did the Soviet Union in the latter part of the twentieth century, and arguably China in recent years. Similarly, India's naval aspirations might be regarded as a natural consequence of India's reach for great power status.

India is not only expanding its maritime power projection capabilities (in the manner, say, of the Soviet Union in the 1970s), but arguably also aspires to use maritime power to expand its strategic space. Because the Indian Ocean is for many purposes a closed sea, India has placed significant emphasis on control of the maritime choke points, particularly the Malacca Strait between the Indian and Pacific Oceans. The Indian navy perceives that an ability to exert negative control over the Malacca Strait as potentially a key factor in control over the Indian Ocean space and a potentially important bargaining chip in its relationship with China. India's anxieties over China's increased influence in the Indian Ocean undoubtedly serve to heighten New Delhi's defensive imperatives to secure and expand its strategic space. The security dilemma created by their conflicting perspectives suggests that Sino-Indian naval rivalry in the Indian Ocean

is likely to continue and perhaps increase as a source of regional tension. However, one might argue that India’s aspirations in the Indian Ocean region are driven not only by China but by its ambitions to develop a new hierarchical strategic order in the region.

India’s apparent aspirations to create its own strategic space could again be compared with the United States and Japan which, as rising powers in the nineteenth and twentieth centuries, aspired to leading naval roles in their regions. In doing so, the United States and Japan were compelled to cooperate with Britain, the global naval power of the time. Britain saw value in gradually ceding regional naval roles to the United States and Japan on a cooperative basis so as to concentrate its energies on what it perceived to be the greater threat of Imperial Germany in the North Atlantic. Both the United States and Japan were able to convert their enhanced regional naval roles into an expanded strategic space, the United States through its Monroe Doctrine in the Western Hemisphere and Japan through its short-lived East Asian Co-Prosperity Sphere in the Western Pacific. Similarly, one could argue that India will seek to convert a leading naval role into strategic space where it is able.

This analysis might suggest several things. First, where possible India will use its naval capabilities primarily in an attempt to “create” a semi-exclusive strategic space rather than project power beyond that space. This means an emphasis on naval diplomacy and cooperation in which India plays a leading role. Second, India will seek to develop a degree of negative control over the Malacca Strait as part of its objective of creating strategic space in the eastern Indian Ocean and this will continue to be an important feature of India’s strategic relationships in the Malacca littoral. Third, India will seek to demonstrate its ability to project credible naval power into the South China Sea, but primarily in response to perceived incursions by China into India’s space.

## 5.2 India’s strategic objectives and East Asian perspectives

There is no single template for understanding India’s strategic engagement with maritime East Asia. Since the end of the Cold War, India has been feeling its way forward in developing strategic relationships with key partners. India has not articulated any “grand strategy” in East Asia and seems unlikely to do so in the near future. India’s lack of economic and military strength relative to other major powers, particularly China, also means that it must remain flexible and discreet in its engagement with the region with the expectation that its relative power will grow in coming decades. Some have argued that India’s approach to East Asia could be compared with Deng Xiaoping’s advice about China “keeping a low profile and never taking the lead”.<sup>1</sup> This is only partly true: while India has shown a degree of political sensitivity in its dealings in East Asia, it has been far from passive in pursuing a regional security role and security relationships with key states across East Asia.

Although there is no real consensus in New Delhi as to India’s strategic objectives in East Asia, it is still possible to identify several key underlying themes or objectives in India’s strategic relationships. These principally include the following:

- the economic integration of India with East Asia;
- balancing China;
- the goals of strategic autonomy and the development of a multipolar regional order;
- the due recognition of India as a great power; and
- the development of a maritime sphere of influence in Indian Ocean region.

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<sup>1</sup> C.Raja Mohan, “India in the Emerging Asian Architecture,” in William T.Tow and Chin Kin Wah, *Asean India Australia: Towards Closer Engagement in a New Asia* (Singapore: Institute of Southeast Asian Studies, 2009), pp.40-57 at p.50.

India’s strategic objectives in East Asia are both active and reactive. India wishes to balance against China in East Asia and constrain China from intruding on its strategic space while also developing its own strategic space. As will be seen, it is often difficult to separate the effect of these motivations.

***India’s goal of economic integration with East Asia***

It is difficult to overemphasise the importance of the economic dimension underlying India’s strategic engagement with East Asia. India’s Look East policy was initially focused on India’s economic engagement with the region and economics continues to be a driving force in most of India’s relationships in East Asia. The integration of India’s economy with the dynamic East Asian economies remains India’s most immediate regional goal. Although India’s aggregate GDP is relatively large, India remains a poor country and its GDP per capita compares very unfavourably with any other claimants to major power status. Access to East Asia’s capital, technology and markets is seen as a key factor in driving India’s future economic development and transforming India’s economy into an outward-looking, trade-oriented, economy comparable with other major powers.

ASEAN states have been particularly keen to encourage India’s economic integration with the region. They are attracted to the prospect of access to the huge Indian market and Indian investment and an economic partnership with India is also seen as potentially “balancing” China’s economic power. Wealthier ASEAN states such as Singapore also see potential economic benefit from positioning themselves as trading, services and financial intermediaries between India and China. This is the picture of the Asian “jumbo jet” as described by Singapore Prime Minister Go Chok Tong in which China/South Korea/Japan and India each represent wings of the jet, while ASEAN states represent the fuselage.

India is unlikely to allow its regional security ambitions to adversely affect its goal of economic development, although there is little risk of tension between these objectives at present. On the contrary, India’s economic and strategic objectives in maritime East Asia are seen as complementary. India’s comprehensive strategic partnership with Singapore is an excellent model for combining the economic, political and security spheres in a relationship. India’s strong economic relationship with South Korea is also a good example of the benefits of a good economic relationship in aligning the overall political relationship.

In contrast, India’s weak economic relationship with Japan raises significant questions about their alignment of interests *vis a vis* China. An economic misalignment could restrict the effectiveness of the political and security relationship. In particular, an anaemic economic relationship between Japan and India, compared with the strong relationship between Japan and China and fast-growing trade links between India and China could allow China to create a wedge between Japan and India on a broad range of issues, in the same way that asymmetrical economic relationships among Japan, India and China inhibited Japan-India strategic cooperation during the Cold War. As Japanese Prime Minister Sato put it in the 1960s, China may seek to “isolate India and tempt Japan with trade.” However, given the long-standing factors that have restricted the expansion of business relationships between Japan and India, it does not seem that this weakness in the relationship will be resolved any time soon.

Although India sees the economic benefits of India’s economic integration with East Asia, New Delhi has in practice sometimes failed to fully recognise its strategic implications. India’s comprehensive economic cooperation with agreement with Singapore has been an important factor in aligning their interests. However, in negotiating other free trade arrangements, New Delhi seems to have often focused on immediate costs/benefits in opening its agricultural and manufacturing sectors to competition, allowing domestic political considerations to trump longer term strategic and economic considerations. This has impaired the development of relationships

with important potential partners such as Indonesia and Vietnam where India could play a much more prominent role. India’s non-strategic approach in this respect contrasts sharply with the more generous approach shown by China in negotiating trade agreements which has facilitated the growth of China’s political/economic influence.

***India’s goals of strategic autonomy and a multipolar regional order***

India’s “Holy Grail” of strategic autonomy and the related objective of seeing the development of a multipolar regional order also have a significant impact on the nature of India’s relationships in East Asia.

Japan is crucial to India’s aspirations towards a multipolar regional order. During the Cold War, Japan’s close security relationship with the United States precluded a close relationship with India. During that period Japan and India had very different priorities. Japan demonstrated a willingness to cede its strategic autonomy in favour of economic goals, while India allowed its aspirations towards strategic and economic autonomy to impede its economic development. India is now more accepting of Japan’s alliance with the United States and aspires to develop the Japan relationship in the hope that Japan will increasingly play an independent strategic role in Asia. In New Delhi’s view, a bipolar (US/China) regional order would be inimical to India’s interests. New Delhi sees the development of a more independent strategic stance by Japan as an important factor in the possible development of a multipolar regional order involving the United States, China, Japan, Russia and India as the major powers. In the future India could seek to lure Japan out of the US orbit in order to encourage the development of such a multipolar order, although its chances of doing so seem questionable. Arguably, some in the Indian security community, particularly those who hold strongly to the importance of strategic autonomy, assume that strategic autonomy is, or should be, a key objective of other states. They may not fully



appreciate the extent to which, despite its ups and downs, the US alliance forms the bedrock of Japan’s security and is likely to continue to be so for the foreseeable future.

India and Japan have clearly flagged their intention to engage in closer political coordination in various regional fora. While many see this as being “aimed at” containing or limiting China, this is not necessarily the case. Several proposals in recent years for regional cooperation, particularly economic cooperation, have foundered on fears among smaller states of the potential domination of such arrangements by China and/or the United States. Arguably, a political coalition between India and Japan could play a positive role in helping to develop regional economic, political and security institutions in which both China and the United States are seen to play “balanced” roles together with other major powers. Such an approach would, in effect, involve the development of a more multipolar regional system.

### ***India and the Asian balance of power***

A key factor driving India in its relationships in East Asia is India’s imperative to balance China. This is given greater force by China’s perceived intrusions into India’s strategic space in the Indian Ocean region. One could argue that India is also compelled by its own great power aspirations to seek to form (limited) balancing relationships against China. An imbalance of power too far in China’s favour raises the prospect of a bipolar regional order that would limit India’s ability to achieve great power status. However, there are unresolved tensions between imperatives to balance China and India’s goal of strategic autonomy. While India needs to cooperate with the United States and its allies in balancing China, the continuing need to demonstrate strategic autonomy could limit India’s commitment to such arrangements. This adds to uncertainties about how these relationships are likely to evolve in coming years.

Japan is an essential partner in India’s wish to balance China without becoming wholly reliant on the United States. “Soft balancing” against China is a major factor in the India-Japan relationship. New Delhi hopes that this political partnership will place implicit limitations on China’s assertiveness and help ensure India’s inclusion at the top table of the region. Japan is motivated to develop the India relationship by heightened threat perceptions of China and increased anxieties over the US alliance. A relationship with India does not necessarily mean any loosening of Japan’s security ties with the United States, although it could be part of a long-term change in strategic direction. That being said, the present Japanese government has not yet articulated how a political-security relationship with India might fit with its alliance with the United States or its regional relationships, and seems unlikely to do so in the immediate future. While a “soft” balancing relationship between India and Japan could become more intense in coming years it is unlikely to evolve into a “hard” balancing coalition in the current strategic environment. Japan’s self-imposed limitations in the security dimension severely restrict its ability to be an active security partner. In any event, New Delhi may find Japan’s self-imposed limitations on the projection of power as convenient, particularly given Japan’s apparent willingness to recognise India’s role as a leading maritime security provider in the Indian Ocean.

The continuing separation between the South Asian and Northeast Asian security regions means that India and Japan will continue to have limited security interests in each other’s home “turf.” While in some ways this limits the degree of support that each is willing to offer the other in dealing with local security issues (e.g. Pakistan for India and DPRK for Japan), in other ways it might arguably strengthen a balancing relationship *vis a vis* China. There is very little scope for strategic competition between India and Japan in South Asia or Northeast Asia. Although there is the potential for strategic rivalry between India and Japan in Southeast Asia (as seems to have been the case in the late 1960s), this seems unlikely for the foreseeable future.

India has had less success in developing balancing relationships with lesser powers in maritime East Asia. Indeed, in the current security environment there seems little likelihood that any East Asian states other than Japan would be willing to join a balancing coalition with India against China, however informal. Neorealist notions of balancing against China are not a major factor in Southeast Asia and nor do they have any real resonance in South Korea. Rather, a key strategic goal of many Southeast Asian states in particular is to ensure a *balanced distribution of power* through developing a balanced role for extra regional powers with interests in the region. While Singapore has been the most articulate proponent of this approach it is a more or less shared objective of many ASEAN states. With the possible exception of Indonesia, few, if any, Southeast Asian leaders would see India as a potential partner in a balancing coalition *against* China. Rather, ASEAN states are likely to encourage the United States to continue its stabilising role in the region, while China, Japan and India's influence in the region will be accommodated or facilitated to greater or lesser degrees.

Several Southeast Asian states see India as a useful security partner. While India is not seen as a credible guarantor of security in Southeast Asia it could still play a niche role in regional security. India's reliance on ASEAN in extending its influence into the region also means that India is likely to be a useful supporter of ASEAN's continued role as the organisational focus of East Asian political, economic and security arrangements.<sup>2</sup> Southeast Asian perspectives on a regional balance of power suggest that while some states may facilitate an Indian political and security presence in the region, there will be some important limitations. First, India will not develop any exclusive security relationships in the region. While India might be a useful security partner, India does not have the capability or credibility to play the role of a primary

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<sup>2</sup> Something acknowledged by Singapore's current Prime Minister. Datta-Ray, *Looking East to Look West*, p.328.

security provider. Second, Southeast Asian states are likely to resist any attempts by India to create a hierarchical security order. Third, Southeast Asian states are likely to continue to be highly sensitive towards China's perspectives. They are unlikely to facilitate an Indian security presence that would be seen as unduly provocative to China (e.g. the establishment of an Indian naval presence in the South China Sea). Nor are Southeast Asian states keen to become involved in Sino-Indian strategic rivalry, including in the Indian Ocean.

A further factor in the Southeast Asian strategic calculus, and one that is rarely discussed, is India's potential impact on the *intraregional* balance of power in Southeast Asia. Although India largely eschewed any security role in Southeast Asia during the Cold War, it still played an important role in the intraregional balance of power several times during that period. This included India's diplomatic support for Malaya over Indonesia during the *Konfrontasi* period; India's failure to support the newly independent Singapore against a potentially *revanchist* Malaysia in the late 1960s and early 1970s; the failure of India to become a founding member of ASEAN in 1967 (although it remains an open question as to whether it could have done so); and India's support for Vietnam's bid to dominate Indochina during the 1980s. With India's increased engagement with Southeast Asia, its potential role in the intraregional balance of power will increase even as India tries to avoid intraregional disputes. This is an implicit factor in India's relationship with Singapore. The extent to which Singapore makes itself *indispensible* to India's regional ambitions will help leverage Singapore's bargaining position throughout the region. The relatively warm state of India's relations with Indonesia also contrasts with India's cool relations with Indonesia's rival, Malaysia. Malaysia has also shown itself to be sensitive about enhanced security cooperation between India and Thailand. While largely inchoate, this dimension could become more prominent if ASEAN is unable to mitigate longstanding rivalries or if regional rivalries (e.g. in Indochina) become enmeshed in Sino-Indian rivalry.

***The recognition of India's status as a great power***

India's self-perception as an emerging great power has made it particularly conscious of its relative lack of status in the international system. According to some, India perceives there to be status-inconsistency, where it has not been accorded an international status commensurate with its power (or, at least, its destiny to become a great power in coming decades). The recognition of India's international status has been an important factor in its regional relationships. Southeast Asian states were generally willing to accept India's status as a *de facto* nuclear power following its 1998 nuclear tests. India and Japan have now made common cause in their ambitions to hold permanent seats on the UN Security Council. However, the failure to fully formally accept India as a legitimate nuclear weapons state in the nuclear non-proliferation order is still a significant factor in India's relations with both Japan and Australia. Japan's acceptance of India's nuclear legitimacy will be a key test of their relationship in coming years.

Despite its attempts to join numerous regional fora over the last two decades, India remains somewhat of an outsider in East Asian multilateral institutions. While India has been admitted to membership of some fora, it continues to be excluded from membership of others such as APEC and ASEAN + 3. In some institutions to which India has been admitted, such as the EAS, there is a perception that India has not even been granted full membership, let alone recognition as a principal power. Certainly China has not welcomed India's presence in East Asian institutions, but there may be lingering questions among other East Asian states (such as Malaysia and even South Korea) as to how the presence of India might affect an "East Asian" identity. Although officially denied, India's claim to an important role in these institutions is an important objective for New Delhi. India will therefore be expected to leverage its relationships in East Asia to ensure that India has a key role in new multilateral institutions. This is evident in India's relationships throughout maritime East Asia.

***The expansion of India’s strategic space in the Indian Ocean region***

Another major theme underlying India’s strategic aspirations in East Asia – and one that is the subject of relatively little analysis - is its ambition to expand its strategic space across the Indian Ocean region and partly into Southeast Asia.

While India does not have an expansionist military tradition beyond South Asia, since the end of the Cold War there has been an increasing view of a “natural” sphere of Indian influence extending well beyond the subcontinent. This frequently finds practical expression in maritime terms – the desire to take a leading role in maritime security throughout the Indian Ocean region. The Indian navy has been particularly active in extending India’s security arrangements throughout the Indian Ocean and parts of Southeast Asia. The navy has given particular emphasis on the maritime choke points of entrance into the Indian Ocean, which has included a focus on developing a maritime presence and security relationships in the southwest Indian Ocean (around the Mozambique Channel), in the northwest Indian Ocean (around the Persian Gulf) and most particularly in the northeast Indian Ocean, around the Malacca Strait. An expansion of India’s naval capabilities has been encouraged by the United States, which has also indicated a preparedness to cede to India an important or even leading role in the northeast Indian Ocean.

Japan and South Korea could also play important roles in legitimising India’s aspirations in the Indian Ocean region. Both see India as potentially a major contributor to their maritime security needs in the Indian Ocean, in a role complementary to that played by the United States. Given its constitutional and political limitations, Japan has a particular need for assistance in securing its SLOCs across the Indian Ocean. Japan’s apparent willingness to recognise India as a leading security provider throughout the Indian Ocean west of the Malacca Strait makes it an ideal partner in helping to legitimise India’s ambitions. This suggests that Japan will support the continued expansion of India’s naval capabilities and would likely support

India's attempt to limit China's presence in the Indian Ocean. Japan would, however, be less likely to support an Indian naval presence north of the Singapore Strait, and few in Tokyo would conceive of India as playing a major security role in East Asia. In the longer term, if there was a perceived reduction of commitment to regional security by the United States one might even imagine a tacit division of responsibilities between Japan and India involving the mutual recognition of spheres of responsibility for maritime security in the Western Pacific and Indian Oceans.

India's immediate objective in the Indian Ocean region is to halt and reverse the growth of China's influence, which is perceived by many in New Delhi as an illegitimate intrusion into India's strategic space. India has responded in several ways. It is developing its own security relationships among littoral and island states throughout the Indian Ocean in the hope of limiting China's influence. It is also developing a capacity to exert negative control over the Strait of Malacca (and the capability to project naval power into the South China Sea) to limit China's ability to project power into the Indian Ocean. The consolidation of India's strategic space in this manner is not best understood as an exercise in balancing against China, but more in terms of an attempt to create an extended space to a greater or lesser extent under the control of India. A balancing relationship implies a partnership with shared objectives in relation to China, while an expansion of strategic space may, at least from India's perspective, imply a more hierarchical relationship that - in the long run at least - is not just aimed at balancing China but could also exclude other powers. It is an important distinction in terms of India's long term role in the region. Further, India's geopolitical aspirations in the Indian Ocean and Southeast Asia are not just defensive. The desire for an extended strategic space is a common - if not universal - feature of aspiring great powers, and India is no exception.

In understanding India's engagement with East Asia one must understand the extent to which India considers that its strategic space extends into Southeast Asia and how India will likely exert its influence in that space. The construction of major naval and

air force facilities in the Andaman and Nicobar Islands and the Eastern Fleet’s new base on India’s east coast are clear statements of India’s intention to be the predominant naval power in the Bay of Bengal and the Andaman Sea. In recent years, the ASEAN states have not raised significant concerns about India’s naval aspirations in the Indian Ocean or the development of facilities in the Andaman Islands. There are no conflicting territorial claims that could affect India’s relations with Southeast Asia as does China’s claims over the South China Sea. The joint India-Indonesian naval patrols off the northern tip of Sumatra (and less publicised joint training and patrols between India and Thailand<sup>3</sup>) arguably involve a tacit acceptance of India’s role in the Andaman Sea. Nevertheless, ASEAN states have avoided taking any public position on India’s claims about China’s String of Pearls and would likely see heightened naval rivalry between India and China in the Indian Ocean as an unwelcome source of instability.

While developing its capabilities in the northeast Indian Ocean, the Indian navy has made significant efforts to prove itself as a useful partner in dealing with many security issues such as piracy, smuggling, refugees, terrorism and separatism, and disaster relief. Since 1995 the Indian navy has successfully used its MILAN biennial naval meetings at Port Blair not as a military exercise, but as an opportunity to increase military to military relationships with Southeast Asian navies as well as other regional navies such as Japan, Australia and New Zealand. The absence of the United States and China from the MILAN meetings is a none too subtle reminder of India’s assertion of regional leadership. Since 2001 in particular, India has been pushing its maritime policing and anti-terrorism capabilities, including in cutting maritime supply routes across the Andaman Sea used by Indonesian and Thai separatists. The Indian navy made a prominent contribution to relief efforts in Aceh following the December 2004 tsunami and has since enhanced its capabilities in disaster relief. Despite several attempts over the last decade, India has not been able to take a role as a security provider inside the Malacca Strait to counter the claimed problems with piracy. India’s

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<sup>3</sup> Khurana, “China-India Maritime Rivalry.”



aspirations in the Malacca Strait remain very sensitive with Malaysia and, to a somewhat lesser extent, Indonesia. The United States has encountered similar resistance to its attempts to gain a security role in the Strait.

It is unclear what an Indian regional security role in Southeast Asia might mean in practice beyond the provision of maritime policing and disaster relief functions. India would ideally like to assert a type of Monroe Doctrine in the Indian Ocean and parts of Southeast Asia, at least insofar as it could exclude any Chinese security presence. Lee Kwan Yew unsuccessfully invited India to be Singapore’s “protecting power” and impose a Monroe Doctrine on Southeast Asia in the 1960s, but it does not seem likely that India could assume such a role today. One might argue that a more likely outcome is some type of cooperative security arrangement among major interested states which recognises a leading role for India in the Indian Ocean region, within limits imposed by the United States and other powers.

### **5.3 Conclusions and future directions**

This thesis has concluded that balancing against China is an important factor in India’s strategic engagement with East Asia, particularly in its “peer” relationship with Japan. However, a desire to expand India’s strategic space (for both positive and defensive reasons) is a more significant factor in its security relationships in Southeast Asia. This chapter will now explore some of the implications of those conclusions on the future directions of India’s security role in East Asia. Before doing so, it is useful to review some of the factors that will limit India’s security role in East Asia:

*Focus on South Asia/Indian Ocean:* India’s strategic aspirations are very much focused on the Indian Ocean region. India primarily aspires to be recognised as the predominant South Asian power and more broadly as the leading Indian Ocean power. Although it also seeks recognition as a major Asian power, few Indian decision-makers would advocate a substantive security role north of Singapore other, perhaps, than in

response to intrusions into India’s strategic space. India will likely continue to develop security relationships in East Asia that primarily reinforce its role in the Indian Ocean region and enhance its status as a major Asian power.

*Limited capabilities:* There are significant limitations on India’s capabilities to project power beyond South Asia and its plans to expand its power projection capabilities are unlikely to be realised for some decades. Coordinated planning among India’s armed services and between the armed services and the government has historically not been strong and there is a real possibility that its naval modernisation plans, in particular, will not be fully realised in the expected timeframe or at all. India’s history is replete with examples of lack of follow-through in developing capabilities to meet strategic ambitions. In practice, India is much more cautious than some of the rhetoric coming from New Delhi implies.

*Reliance on Southeast Asian partners:* India will need to rely on local partners to project power into Southeast Asia. In coming years, India may be able to exert a degree of negative control over the Malacca Strait. However, India faces its own “Malacca Dilemma” in projecting naval power into the Western Pacific and India requires local logistical support for any extended presence. East Asian states generally perceive India as having with few direct security interests in East Asia. A desire by Southeast Asian states to avoid unnecessary provocation of China means that they will likely seek to limit India’s security role north of Singapore.

*The United States:* While the United States has facilitated the development of India’s relationships in East Asia, it could also act as an implicit limitation on India’s role. The United States may see some benefit in Sino-Indian strategic rivalry, and may even at times encourage that rivalry, at least in the Indian Ocean. However, there will be circumstances in which the United States may see India as a destabilising factor in regional security. It is difficult to imagine India being in a position to take a direct security role in East Asia in the face of strong opposition from the United States.

What are the likely future directions in India’s security role in East Asia having regard to these limitations?

***Prospects of India joining a multilateral coalition to balance China***

Imperatives to form a balancing coalition against China in East Asia will be driven primarily by the evolution of China threat perceptions. However the prospects of India forming part of a balancing coalition in anything other than in very vague terms seems low in the current strategic environment. Although balancing against China is an important objective for India, it is a limited one. India currently neither has the inclination nor the ability to build a balancing coalition against China, although India’s developing relationships in East Asia carry an implicit message that such a coalition might be established.

There are several reasons why India would avoid any formal balancing coalition. Any formal multilateral coalition involving India, Japan, the United States and other maritime powers would inevitably be seen as aimed at containing China, with a significant risk of provoking increased assertiveness on China’s part. India’s sensitivity to any arrangements that might be perceived as restricting its strategic autonomy also creates a strong bias against joining any balancing coalition with the United States and its allies except in the case of very high threat perceptions. Arguably, India’s objectives could be better achieved by a series of bilateral relationships that allow India to exert greater influence.

Other East Asian states are also not likely to have much interest in joining any multilateral coalition that includes India. Many East Asian states already have the benefit of US security guarantees, either explicitly or implicitly, and a multilateral arrangement involving India would seem to add little and could potentially complicate matters.

***Prospects for the further expansion of India's role in Southeast Asia***

India has been relatively successful in recent years in expanding its strategic space into Southeast Asia in a cooperative and relatively benign manner. It will continue to try to prove itself as a dependable security partner and as a net provider of security to the region. In immediate terms, India's actions in expanding its strategic space are often driven by rivalry with China. Provided that China keeps any presence in the Indian Ocean relatively unobtrusive, there seems little need for India to push too hard for a direct security role in the Malacca Strait, establish anything more than a very discreet naval presence in Singapore, or to venture into the South China Sea more than on an occasional basis.

In coming years, India will focus on developing closer political and security relationships with Indonesia, Malaysia and Thailand, key northeast Indian Ocean littoral states. Although Indonesia has been identified as a key partner for India in Southeast Asia, India has been slow in giving substance to the relationship. One might see the potential for a broad-based political-economic-security partnership between India and Indonesia that could transform India's role in Southeast Asia. This could include a political-diplomatic partnership in pursuing India and Indonesia's claims to recognition as major regional powers; a better alignment of economic interests (essentially meaning giving Indonesia access to India's market for agricultural commodities and Indian investment in Indonesia); and a close security relationship with a focus on maritime security (including assistance in the modernisation of the Indonesian navy). However, such a broad-based relationship seems unlikely for the moment. Although India has successfully developed a strategic partnership with Singapore, the Indonesia relationship would involve a different level of commitment. The extreme asymmetry in size between India and Singapore has made their relationship relatively easy from New Delhi's standpoint, as does the economic complementarities and Singapore's clear-sighted and proactive approach to foreign

policy. The development of a broad-based relationship with Indonesia would require a major political, economic and security commitment by New Delhi that has so far not been forthcoming.

The prospects for major developments in India’s other regional relationships also seem limited at the moment. Malaysia will be important to India’s long-term strategic aspirations in Southeast Asia (and particularly in the Malacca Strait), but the relationship is limited, among other things, by Malaysia’s generally pro-Islamic foreign policies and irritations arising from the treatment of its Indian ethnic minority. A significant improvement in India-Malaysia relations seems unlikely without major political changes in Kuala Lumpur. Although there are also grounds for closer political and security cooperation with Thailand (e.g. focusing on joint maritime policing or assistance in dealing with Thailand’s southern insurgency), political instability in Thailand will likely limit decision-making abilities in Bangkok.

The long-running political alliance between India and Vietnam is likely to continue and India may in time prove itself to be a useful supplier of defence technology and maintenance and training services. However, India’s relationship with Vietnam is unlikely to develop into a security alliance. At the moment there seems little reason for Vietnam to damage its relations with China by developing a close security partnership with India – there are significant risks that an Indian security presence would provoke greater assertiveness in the South China Sea. Arguably, India could more usefully develop the relationship through promoting closer economic links, including giving Vietnam access to the Indian market and promoting greater Indian investment in Vietnam.

### ***India’s role in an altered regional security environment***

How could potential changes in the security environment affect India’s regional security role? Again, the principal factor will be the state of regional relationships with

China. Strained relationships with China would in general be expected to result in a greater regional security role for India. However, a more detailed consideration of potential developments in the regional security environment points to a limited role for India in most circumstances.

A deterioration in the Northeast Asian security environment is likely to affect India’s regional security role only indirectly. India is unlikely, for example, to seek to involve itself in a security crisis involving Taiwan or the DPRK, even one that clearly involved Chinese aggression, although such a crisis could in the longer run result in Japan and/or South Korea upgrading their relationships with India. India is also unlikely to play a direct security role in any heightened tensions in the South China Sea territorial dispute. Although India has flagged its capabilities to Vietnam in “containing” the dispute, it is difficult to imagine India being prepared to play anything other than a rhetorical role in support of Vietnam. Any direct role would, in any event, probably not be welcomed among ASEAN states. Nevertheless, a significant increase in tensions in the South China Sea could lead Southeast Asian states to invite India to play a greater role in regional security.

There are other circumstances in which India might act more assertively in Southeast Asia. A major security crisis in the Malacca Strait (for example, through terrorist action) could lead India to press its case for a security role with greater vigour. Given the resistance to Indian proposals shown to date, there would need to be strong reasons for Malaysia, in particular, to change its position. However, it is possible that littoral states may concede a role to India in the face of significant international pressure to accept outside assistance. Any such development would likely have far reaching implications for India’s role in Southeast Asia.

A significant increase in Sino-Indian naval rivalry in the Indian Ocean (for example, following the establishment of a permanent Chinese naval presence) could also have important consequences on India’s role in East Asia. There is a real chance that New

Delhi may respond to a major “incursion” by China into its strategic space through projecting power more assertively into the South China Sea and even establishing its own presence there. However, absent any perceived threats towards Southeast Asia, it is not clear to what extent ASEAN states would be prepared to support India in taking concrete steps in response to a Chinese naval presence in the Indian Ocean, particularly if China’s actions were seen as merely a legitimate reflection of its interests in SLOC security. The recent announcement by Japan of an intention to construct base facilities in Djibouti to support its anti-piracy efforts in the Gulf of Aden<sup>4</sup> might be seen by some as providing a precedent for such a move by China.

### ***Understanding India’s strategic engagement with maritime East Asia***

The broad purpose of this thesis is an attempt to understand how an emerging India fits in East Asian security, particularly in the context of a rising China.

India is becoming an ever more important factor in East Asia’s security. India increasingly sees the Indian Ocean region as constituting its extended strategic space, one that extends into Southeast Asia. However, China is the biggest motivating factor in India’s strategic engagement with East Asia and one that is likely to grow. The rise of China and the expansion of its power in East Asia and influence in the Indian Ocean are drawing India into East Asian security in two different ways: first, through creating perceived imperatives to create balancing relationships against China and, second, through imperatives to respond to incursions into India’s strategic space through enhancing its presence in Southeast Asia. However, despite these imperatives to engage with East Asia, India remains primarily focussed on the economic, social and security challenges it faces in South Asia. Most of its energies in the security

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<sup>4</sup> Kari Lipshutz, “Japan’s Military Base in Djibouti,” *World Politics Review*, 3 May 2010. <<http://www.worldpoliticsreview.com/blog/5482/global-insider-japans-military-base-in-djibouti>>.

dimension will be directed towards South Asian security threats (both internal and external) for many years to come. Much of East Asia is essentially beyond India's strategic space and India has only a limited security role there. Although some may be tempted to act assertively in response to a China "threat," wiser heads in New Delhi are likely to focus on keeping India's options open as much as possible while India's economic and military power develops and its area of influence naturally expands.

India is regarded by many states in East Asia as a potentially useful extra-regional security partner, although one of limited scope. India is viewed as an Indian Ocean state with little reason to play a significant direct security role north of Singapore. India is seen in largely benign terms, but the continuation of this perception cannot be guaranteed. Heightened Sino-Indian rivalry could make it a destabilising factor in regional security. India's aspirations to create strategic space in the Indian Ocean could potentially translate into hegemonistic ambitions. The gap between India's strategic ambitions and its capabilities could grow further and become a liability in India's dealings in the region.

In the coming decades India will likely be an important and largely benign extra-regional participant in East Asian security. If India continues to act cautiously it will be seen by many as a welcome and stabilising force in regional security. However, India is an outsider in East Asia and will be seen as such for many years to come.



**Appendix**  
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